

## Appendix 4D

### Company details

|                           |   |
|---------------------------|---|
| Name of entity:           | Pepper Money Limited                                |
| ACN:                      | 094 317 665   |
| ABN:                      | 55 094 317 665                                      |
| Reporting period:         | For the half-year ended 30 June 2025 (the “period”) |
| Prior comparative period: | For the half-year ended 30 June 2024 (“PCP”)        |

### Results for announcement to the market

All comparisons to half-year ended 30 June 2024:

#### Statutory Results

|                             |      |      |    |  | \$M   |
|-----------------------------|------|------|----|--|-------|
| Net interest income         | Down | 8.0% | to |  | 157.3 |
| Total operating income      | Down | 1.0% | to |  | 185.0 |
| Net profit after income tax | Up   | 2.0% | to |  | 47.0  |

### Dividends

The Directors have approved an Interim dividend in respect to the half-year ended 30 June 2025 of 6.4 cents per ordinary share (30 June 2024: 5.0 cents per ordinary share).

This Interim dividend will be paid on 10 October 2025 to shareholders on the share register as at 12 September 2025.

|                       | Amount per security | Franked amount per security |
|-----------------------|---------------------|-----------------------------|
| Interim 2025 dividend | 6.4 cents           | 6.4 cents                   |
| Final 2024 dividend   | 7.1 cents           | 7.1 cents                   |

### Net tangible assets per ordinary share

Net tangible assets per ordinary share is calculated using tangible assets and the number of shares on issue at the reporting date.

|  | 30 June 2025<br>\$ | 31 December 2024<br>\$ |
|--|--------------------|------------------------|
| Net tangible assets per ordinary share | 1.33               | 1.57                   |

## Explanation of results

A reference in this Appendix 4D to the “Group” is a reference to Pepper Money Limited and its controlled entities.

This information should be read in conjunction with the annual financial report for the year ended 31 December 2024 and with any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the Australian Securities Exchange (“ASX”) Listing Rules.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors’ report and the condensed consolidated financial statements for the period.

## Details of associate investments and joint venture entities

The Group did not have any associates or joint venture entities during the period.

## Foreign entities

The financial information presented for foreign entities which are consolidated is presented in accordance with the Australian Accounting Standards Board (“AASB”).

## Audit

This report is based on the condensed consolidated half-year financial report reviewed by Deloitte Touche Tohmatsu.



**Akiko Jackson**  
Chair

21 August 2025



**Mario Rehayem**  
CEO and Director

21 August 2025



# Condensed consolidated financial statements

for the half-year ended  
30 June 2025



## Acknowledgement of Country

Pepper Money acknowledges Australia's First Nations people as the Traditional Custodians of the land and their continuing connection to country, sea and water. We pay respect to their Elders past and present.

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# 1H 2025 Highlights

## Strong returns

### Statutory & Pro-forma NPAT<sup>1</sup>

**\$47.0m**

↑ 2% v PCP<sup>2</sup>

### Profit pre-Tax and Loan Loss Expense

**\$109.2m**

↑ 1% v PCP

### Shareholder returns

**12.5cps** Special Dividend<sup>3</sup>

**6.4cps** Interim Dividend<sup>3</sup>

## Double digit growth

### Total Originations

**\$4.5bn**

↑ 38% v PCP

## Record AUM

### Total AUM

**\$20.1bn**

↑ 4% v PCP

## NIM expansion

### Total NIM

**1.98%**

↑ 6bps v PCP

## Disciplined cost management

### Total Expenses    Cost to Income<sup>4</sup>

**\$116.7m**

↓ 2% v PCP

**51.7%**

↑ 0.9%

## Capital management

At 30 June 2025

**Unrestricted cash:** **\$142.9m**

**Warehouse capacity:** **\$11.5bn**

1. NPAT: Net Profit After Tax.
2. PCP: prior comparable period, being the six months to 30 June 2024.
3. Special Dividend declared 3 June 2025, paid 16 July 2025. Interim Dividend for 2025 based on Pro-forma NPAT for the six months to 30 June 2025. Declared 21 August 2025, payable 10 October 2025.
4. Cost to Income ratio defined as Total Expenses / Total Operating Income before Loan Loss Expense.



# Directors' Report

The Directors of Pepper Money Limited (“Pepper Money” or the “Company”) present their report, together with the interim financial statements of Pepper Money Limited and its controlled entities (“the Group”) for the half-year ended 30 June 2025 (“the period”) which is designed to provide shareholders with a clear and concise overview of Pepper Money’s operations and the financial position of the Group. The review complements the financial report.

To comply with the provisions of the *Corporations Act 2001*, the Directors’ report is as follows:

## Directors

The following persons were Directors of the Company during the period and up to the date of this report:

### Akiko Jackson

Chair and Independent Non-Executive Director.

### Mike Cutter

Independent Non-Executive Director.

### Des O’Shea

Non-Executive Director and Shareholder Representative.

### Vaibhav Piplapure

Non-Executive Director and Shareholder Representative.

### Mario Rehayem

Chief Executive Officer, Pepper Money Limited.

### Justine Turnbull

Independent Non-Executive Director.

### Rob Verlander

Independent Non-Executive Director.

## Company Secretary

John Williams.

## Presentation of financial information

Results and key financial drivers of the current and prior periods are set out below in the Directors’ Report and are on a Pro-forma basis. In the six months to 30 June 2025 no Pro-forma adjustments were recorded (1H 2024: \$Nil, 2H 2024: \$Nil).

## Principal activities

Pepper Money commenced business in Australia in 2000 as a provider of home loans to consumers who fall outside the lending criteria of mainstream banks. Since this time, Pepper Money has grown to be one of the largest non-bank lenders in the Australian mortgage and asset finance markets and has a growing presence in the New Zealand mortgage market.

Pepper Money's mission remains to “**help people succeed**”, by focusing on challenging the way loans are designed, distributed and offered in Australia and New Zealand.

Pepper Money strives to be the lender that is easy to deal with, consistent in credit decisioning and dedicated to providing innovative home loan and asset finance solutions to customers and partners alike.

Pepper Money recognises that success comes from our people, and our values of **Can Do, Balanced** and **Real** provide the foundations for how we do business and support our customers, partners and communities. Pepper Money operates with three pillars for success: **Experience – Performance – Brand** – that link vision and mission to the Company's strong values.

Since commencing in 2000, Pepper Money has broadened its Australian business activities to include the origination of prime residential mortgages, commercial real estate loans, mortgage loans to self-managed super funds (SMSF), auto and equipment finance and novated leasing as well as third party loan servicing. In 2019 Pepper Money expanded its focus to include residential mortgages in New Zealand.

Funding is a core competency of Pepper Money and from 2003 until 30 June 2025 the Company has raised \$42.3 billion in the public markets, across 65 transactions. In 2016, Pepper Money implemented a Whole Loan Sales program as part of the funding and capital management strategy for Australian Mortgages, and extended the program to include Asset Finance loans from December 2023. Whole Loan Sales realise value by selling the loans Pepper Money has originated, while retaining the servicing of the loans thus earning Pepper Money an ongoing servicing fee, and maintaining the same level and quality of service to the customer. Pepper Money has executed \$12.9 billion in Whole Loan Sales/Private Term placements<sup>1</sup> since commencing in 2016 to 30 June 2025.

Pepper Money's operating model combines risk-based credit underwriting expertise with customer focused operations and loan servicing management. Together these deliver strong performance in both the lending and servicing businesses across multiple asset classes from residential and commercial mortgages to consumer and commercial asset financing. The depth and strength of our core competencies provide the basis for Pepper Money's continued ability to grow and adapt in ever changing market conditions.

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1. Includes Private Term issuances, totalling \$4.5 billion across 8 transactions.

## Operational performance

Pepper Money operates in a large addressable market, covering \$2,797 billion of credit outstanding for mortgages<sup>2</sup> and \$248 billion of credit outstanding for asset finance<sup>3</sup>.

Pepper Money has a broad product offering within its Mortgage and Asset Finance businesses that cater for a range of customer needs.

Pepper Money's business model provides a diversified base of revenue generated at multiple points across the customer relationship and includes loan origination, lending and loan servicing.

Pepper Money's **three core segments**, and the summary performance for these segments for the first half of 2025, are as follows:

| 1H 2025   | Mortgages  | Asset Finance  | Loan & Other Servicing  |
|---|--|--|---|
| <b>Description</b>  | Finance residential home loans in Australia and New Zealand and small balance commercial real estate loans in Australia.   | Finance a range of asset types. Focus on underserved segments (for example, consumer used cars).       | Ongoing management and administration for loan portfolios owned by third parties (non-bank lenders and ADIs).   |
| <b>Products</b>   | <ul style="list-style-type: none"> <li>Residential Mortgages <ul style="list-style-type: none"> <li>Conforming: Prime</li> <li>Non-Conforming: Near Prime Clear, Near Prime and Specialist</li> </ul> </li> <li>Commercial Real Estate (Australia)</li> <li>Self-Managed Super Fund Mortgages (Australia)</li> <li>Sharia lending (Australia)</li> </ul> | <ul style="list-style-type: none"> <li>Consumer</li> <li>Commercial</li> <li>Novated Lease</li> </ul>  | <ul style="list-style-type: none"> <li>Residential home loan servicing</li> <li>Asset Finance loan servicing</li> <li>Other Third-party loan servicing</li> </ul> |
| <b>Originations</b><br><b>Total: \$4.5bn</b>                  | <b>\$2.8 billion</b><br>+53% vs. 1H 2024<br>+21% vs. 2H 2024   | <b>\$1.7 billion</b><br>+19% vs. 1H 2024<br>+15% vs. 2H 2024   |   |
| <b>Originations Mix</b><br><b>Product</b>                     | Prime: 70%<br>Non-Conforming: 30%  | Tier A: 75%<br>Tier B: 22%<br>Tier C: 3%<br>Consumer: 27%<br>Commercial: 24%<br>Novated Lease: 49%     |   |
| <b>Originations Mix</b><br><b>Channel</b>                     | Retail: 44%<br>White Label: 52%<br>Direct: 4%  | Auto Broker: 13%<br>Commercial Broker: 17%<br>Mortgage Broker: 11%<br>Dealer: 9%<br>Novated Lease: 49% |   |
| <b>AUM (closing)</b><br><b>Total: \$20.1bn</b>                | <b>\$9.5 billion</b><br>(16)% vs. June 2024<br>(8)% vs. December 2024  | <b>\$6.3 billion</b><br>+11% vs. June 2024<br>+12% vs. December 2024                                   | <b>\$4.3 billion</b><br>+90% vs. June 2024<br>+33% vs. December 2024  |
| <b>Operating Income<sup>4</sup></b><br><b>Total: \$185.0m</b> | <b>\$113.2 million</b><br>+3% vs. 1H 2024<br>(8)% vs. 2H 2024  | <b>\$62.2 million</b><br>(10)% vs. 1H 2024<br>(11)% vs. 2H 2024  | <b>\$8.4 million</b><br>+57% vs. 1H 2024<br>+50% vs. 2H 2024  |

2. Combination of Australia and New Zealand mortgage markets at June 2025 (Total housing credit, RBA D2 Lending and credit aggregates (including owner-occupier housing credit and investor housing credit)); Housing, RBNZ C5 Sector lending (registered banks and non-bank lending institutions), June 2025, converted at an assumed exchange rate of NZD:AUD = 0.9331).

3. New household loan commitments for purchase of road vehicles, New household loan commitments, ABS 5601.0 Lending Indicators Table 27, July 2024 – June 2025 (published August 2025). Assumes market size is approximately 4x lending commitments for last 12 months. New business loan commitments (small and medium size business), finance lease and fixed term, purchase of vehicles, plant and equipment, ABS 5601.0 Table 28, 30 and 32, July 2024 – June 2025 (published August 2025). Assumes market size is approximately 4x lending commitments for last 12 months. Medium size business plant and equipment lending is included but is not part of Pepper's addressable market.

4. Operating Income: segment analysis excludes \$1.2 million from the Corporate segment which is included in the total.

## Results overview

For the half year ended 30 June 2025, the Group reported Statutory and Pro-forma **Net Profit After Tax** (“NPAT”) of \$47.0 million, an increase of 2% versus Statutory and Pro-forma NPAT for 1H 2024 (prior comparative period, “PCP”). **Total Operating Income** marginally reduced by (1)% versus PCP, however this was offset by lower **Total Expenses**, which at \$(116.7) million were 2% lower than 1H 2024.

**Net Interest Income** of \$157.3 million for the period was a decrease of \$(13.6) million, (8)%, on PCP. This was driven in part by mix with Prime loans in Mortgages representing a higher percent of the Mortgage segment loan portfolio (50% of closing AUM 1H 2025 versus 44% 1H 2024), and in part by the flow through of Whole Loan Sales executed as income shifts from Net Interest Income to Other Operating Income. **Total Net Interest Margin** of 1.98% for 1H 2025, increased 6 basis points on 1H 2024, with a 21 basis points gain in Asset Finance NIM, driven by improved funding and stabilised swap rates, offsetting for the mix impact from accelerated growth in Prime Mortgages. Mortgage NIM at 1.51% contracted (9) bps on PCP. RBA rate reductions were passed directly onto customers. **Profit pre-Tax and Loan Loss Expense** in 1H 2025 of \$109.2 million, increased 1% from PCP (1H 2024: \$108.0 million).

**Total Operating Income** for the first half of 2025 of \$185.0 million declined (1)% on prior comparable period. **Loan Loss Expense** at \$(40.9) million was 2% favourable to PCP.

**Total Expenses**, at \$(116.7) million reduced by \$2.9 million versus 1H 2024, demonstrating the Company’s continued realisation of scale economies through the focus on technology, automation and process improvement, coupled with ongoing disciplined cost management.

**Statutory and Pro-forma Net Profit after Tax** closed 1H 2025 at \$47.0 million, 2% up from \$46.1 million in 1H 2024.

**Unrestricted cash** at 30 June 2025 closed at \$142.9 million, up from \$99.8 million 30 June 2024 (31 December 2024: \$124.0 million). Over the first half of 2025, the Group paid down a further \$27.5 million of the Corporate Debt Facility, to close June 2025 at \$97.5 million drawn (30 June 2024: \$155.0 million drawn, 31 December 2024: \$125.0 million drawn).

The Company’s capital management strategy has delivered strong returns to Shareholders. **Unrestricted cash** at 30 June 2025 is before the fully franked **Special Dividend** of \$55.5 million, paid on 16 July 2025, and the fully franked **Interim Dividend** of 6.4 cents per share, \$28.2 million, declared by the Board, which will be paid on 10 October 2025.

## Summary financial results

| A\$ Million                            | 1H 2025<br>Statutory &<br>Pro-forma | 2H 2024<br>Statutory &<br>Pro-forma | \$ Change<br>1H 2025 vs<br>2H 2024 | % Change<br>1H 2025 vs<br>2H 2024 | 1H 2024<br>Statutory &<br>Pro-forma | \$ Change<br>1H 2025 vs<br>1H 2024 | % Change<br>1H 2025 vs<br>1H 2024 |
|--|-------------------------------------|-------------------------------------|------------------------------------|-----------------------------------|-------------------------------------|------------------------------------|-----------------------------------|
| Net interest income                    | 157.3                               | 170.5                               | (13.2)                             | (8)%                              | 170.9                               | (13.6)                             | (8)%                              |
| Lending fee income                     | 32.5                                | 32.2                                | 0.3                                | 1%                                | 33.4                                | (0.9)                              | (3)%                              |
| Lending expense                        | (14.7)                              | (15.6)                              | 0.9                                | 6%                                | (13.9)                              | (0.8)                              | (6)%                              |
| Other operating income                 | 50.8                                | 41.2                                | 9.6                                | 23%                               | 37.2                                | 13.6                               | 37%                               |
| Loan losses                            | (40.9)                              | (27.7)                              | (13.2)                             | (48)%                             | (41.6)                              | 0.7                                | 2%                                |
| <b>Total operating income</b>          | <b>185.0</b>                        | <b>200.6</b>                        | <b>(15.6)</b>                      | <b>(8)%</b>                       | <b>186.0</b>                        | <b>(1.0)</b>                       | <b>(1)%</b>                       |
| Employee benefits expense              | (63.5)                              | (61.0)                              | (2.5)                              | (4)%                              | (65.3)                              | 1.8                                | 3%                                |
| Marketing expense                      | (6.7)                               | (7.8)                               | 1.1                                | 14%                               | (7.6)                               | 0.9                                | 12%                               |
| Technology expense                     | (13.2)                              | (13.1)                              | (0.1)                              | (1)%                              | (11.5)                              | (1.7)                              | (15)%                             |
| Other operating expenses               | (12.1)                              | (20.0)                              | 7.9                                | 40%                               | (11.8)                              | (0.3)                              | (3)%                              |
| Depreciation and amortisation expense  | (8.9)                               | (9.8)                               | 0.9                                | 9%                                | (9.6)                               | 0.7                                | 7%                                |
| Corporate interest expense             | (12.3)                              | (15.4)                              | 3.1                                | 20%                               | (13.8)                              | 1.5                                | 11%                               |
| Tax expense                            | (21.3)                              | (21.4)                              | 0.1                                | 1%                                | (20.3)                              | (1.0)                              | (5)%                              |
| <b>Net profit after tax</b>            | <b>47.0</b>                         | <b>52.1</b>                         | <b>(5.1)</b>                       | <b>(10)%</b>                      | <b>46.1</b>                         | <b>0.9</b>                         | <b>2%</b>                         |
| Equity Holders of Pepper Money Limited | <b>47.0</b>                         | 52.1                                | (5.1)                              | (10)%                             | 46.7                                | 0.3                                | 1%                                |
| Non-controlling interest               | –                                   | –                                   | –                                  | –                                 | 0.6                                 | –                                  | –                                 |
| <b>Profit pre-tax and loan losses</b>  | <b>109.2</b>                        | <b>101.2</b>                        | <b>8.0</b>                         | <b>8%</b>                         | <b>108.0</b>                        | <b>1.2</b>                         | <b>1%</b>                         |

## Sustainability performance

Pepper Money links environmental, social and governance (“ESG”) initiatives to strategy to ensure alignment to its mission to “**help people succeed**” by meeting their financial needs, through our focus on providing innovative home loan and asset finance solutions to customers.

### First half 2025 highlights – progress against the four pillars:

- Governance:** Pepper Money is committed to good governance, transparency, and accountability. Pepper Money’s governance starts at the Board and cascades to Management. Pepper Money has established a Board ESG Committee, supported by a Management ESG Committee. This is designed to ensure that Directors and Management consider, in undertaking their duties, climate, environmental, social and governance factors in delivering the business’ strategy and supports Pepper Money in optimising governance structures, controls and procedures used to monitor, measure and manage ESG outcomes and risks.
- Strategy:** Pepper Money is committed to being a responsible and sustainable business that supports our people, customers and communities. Pepper Money operates in an environment of rapidly changing economic conditions, societal and geo-political shifts, cyber security uncertainty, and the increasing impacts of climate change. As a Company, Pepper Money remains committed to being a business that supports our people, customers, partners and communities through our commitment to financial inclusion.
- Risk Management:** Pepper Money treats financial activities in the same way – whether for customers, partners, shareholders, or our business – with care and diligence and within an ethical risk management framework. ESG and climate risk is an area that is continually evolving, with regulatory, compliance and reporting obligations for companies increasing. Pepper Money’s ESG Framework and Climate Statement are evolving as regulatory, compliance and reporting obligations evolve.
- Metrics:** core ESG metrics<sup>5</sup> and relative performance for the first half of 2025 are:

| Material Topic                  | Material topic                   | Target  | At 30 June 2025  |
|---------------------------------|----------------------------------|---|--|
| Responsible Business            | Board composition                | No less than 2 female Directors   | 2 female Directors on the Board. Target being met year to 30 June 2025. No change on PCP.                                      |
|                                 | Remuneration                     | 15% of Executive short-term variable remuneration linked to ESG                                   | Target exceeded: 20% of STVR <sup>6</sup> allocated to ESG in Executive and Senior Management 2025 STVR Plans.                 |
|                                 | Company-wide compliance training | 95% of employees completed on time  | Target being met year to 30 June 2025: 97% of employees completed on time.   |
| Community                       | Pepper Giving                    | Review and renew Big G program  | Achieved – new Big G partner – StreetSmart onboarded.  |
|                                 | Volunteering                     | Develop regular volunteering opportunities for our people: hold or improve on prior period        | Tracking ahead – 130.5 hours year to 30 June 2025.   |
| Diversity, Equity and Inclusion | Gender diversity                 | Women in work force <sup>7</sup>  | Target being met year to date: 55% at 30 June 2025, up from 54% at 31 December 2024.   |
|                                 |                                  | Women in senior manager roles: hold or improve on prior period                                    | Target being met year to date: 49% at 30 June 2025 – up from 46% at 31 December 2024.  |
|                                 | Gender pay equity <sup>8</sup>   | Mean gender pay gap on Total Remuneration: hold or improve on prior period                        | Target met as at 31 March 2025 <sup>9</sup> : 25.4% improved by 1.4% on prior year.  |
|                                 |                                  | Mean gender wage pay on Base Salary: hold or improve on prior period                              | Target met as at 31 March 2025: 16.0% improved by 1.2% on prior year.  |
| Customer                        | Customers helped                 | 1 million customers helped by end 2029  | On track to achieve target. 1H 2025 new customers: 40,525, up 8.5% on PCP. Cumulative <sup>10</sup> customers helped: 570,829. |
| Invest in our People            | Learning & development           | Learning and Development <sup>11</sup> hours delivered to employees: hold or improve prior period | Target being met year to 30 June 2025 1,078 hours – up 36% on PCP.   |
|                                 | Health & Safety Training         | 100% of employees trained: constant on PCP  | 100% compliance achieved as at 30 June 2025.   |
|                                 | Turnover                         | <20.0%: voluntary turnover  | Target being met year to 30 June 2025: year to date voluntary turnover 19.6% <sup>12</sup> .                                   |

5. As several metrics are annual measures, update will be provided in Pepper Money’s CY2025 Annual Report.

6. STVR – Short term Variable Remuneration.

7. Based on Pepper Money Limited employees – Australia, New Zealand and the Philippines as at 30 June 2025. Includes Stratton Finance Pty Ltd.

8. Gender pay gap is based on the Workplace Gender Equality Agency (WGEA) 2024 – 2025 survey (March 2025). For Pepper Money Limited (Australia), including Stratton Finance Pty Ltd. The improvement compares the combined results for 2024-2025 with those from 2023-2024.

9. 31 March 2025 applied to align to WGEA reporting date (as per footnote 8 above).

10. Cumulative number of customers from 2004 to 30 June 2025.

11. Learning and Development hours: hours delivered by internal programs, which includes Pepper Money’s program with the Australian Institute of Management. Excludes external training as annual measure.

12. Turnover: voluntary employee turnover for Australia, New Zealand and Philippines. % is annual rolling average as at 30 June 2025 (PCP annual rolling average as at 30 June 2024).

### Mandatory climate reporting

CY2025 sees the introduction of the *Australian Sustainability Reporting Standard – AASB S2 – Climate-related Disclosures* (Standard), with mandatory climate reporting commencing for reporting periods beginning on or after 1 January 2025.

Pepper Money is well advanced to meet the requirements of AASB S2 and to ensure the effective adoption of the Standard. Pepper Money is reviewing policies to support and to identify pathways to effectively manage the Company's climate-related risks and opportunities and its operational greenhouse gas emissions. Pepper Money is committed to disclosing, monitoring and controlling our climate footprint to ensure a positive legacy for our communities to ensure climate-related considerations are embedded in Pepper Money's strategy and that effective risk and governance frameworks are in place to monitor and assess associated risks.

### Macro-economics

Pepper Money has considered the market conditions, which are being impacted by macro-economic uncertainty, in preparing the financial statements for the half-year ending 30 June 2025, including the application of critical estimates and judgements. In line with the year ending 31 December 2024, the main impact on the financial statements was the provision for expected credit losses.

In assessing market conditions over the period, Pepper Money has:

- reviewed the macro-economic scenarios used in modelling expected credit losses, the relative weightings of base to downside, and the evaluation of certain specific industry overlays, taken historically; and
- increased provisions raised in prior periods, while maintaining a prudent provision coverage to cater for ongoing uncertainty of the current market, macro-economic and geo-political conditions.

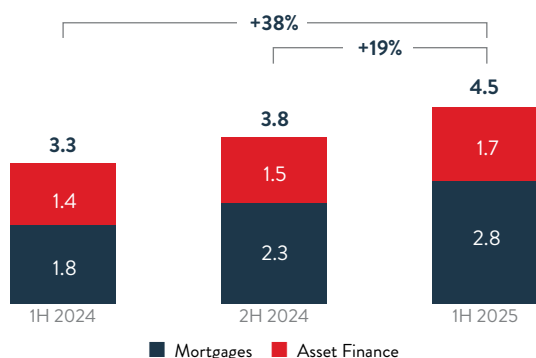
At 30 June 2025, the Group holds a Post Model Overlay of \$11.2 million for potential future economic loss directly related to the impacts from macro-economic conditions over and above those captured in models (30 June 2024: \$10.0 million, 31 December 2024: \$10.0 million). The current coverage remains adequately provisioned and continues to reflect a cautious approach to managing risks given ongoing market conditions.

Refer to Note 1 (D)(a) for additional information on credit risk management and the provision for expected credit losses.

## Operating and financial results

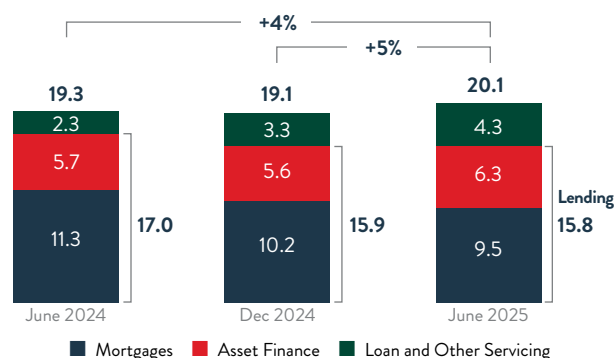
### Originations (\$ billion)

**\$4.5bn**



### Assets Under Management (AUM)<sup>13</sup> (\$ billion)

**\$20.1bn**



#### HALF YEAR ENDED 30 JUNE 2025 versus 30 JUNE 2024

##### Total Originations of \$4.5 billion grew 38% on PCP

**Mortgage Originations** for 1H 2025 grew by 53% on PCP to \$2.8 billion. Growth was driven by Prime – both Residential and Commercial – with Originations of \$1.9 billion increasing 171% on PCP. Originations mix for 1H 2025 was 70% Prime, 30% Non-conforming, versus PCP of 40% and 60% respectively.

**Asset Finance Originations** grew by 19% over PCP to \$1.7 billion for 1H 2025. Tier A Customer Originations at \$1.3 billion grew 32% on PCP. Tier A Originations accounted for 75% of 1H 2025, with Tier B at 22% and Tier C at 3%. (1H 2024: 67%, 26% and 7% respectively). Novated Lease, which is predominately Tier A Customers, continued to perform strongly with Originations of \$0.8 billion increasing 23% on PCP.

##### Total AUM of \$20.1 billion, up 4% on PCP

**Mortgages AUM** reduced by \$(1.9) billion on 30 June 2024, following Whole Loan Sales (WLS) totalling \$1.7 billion over the first half of 2025 (\$2.6 billion WLS for 12 months to 30 June 2025). AUM composition closed the period at 50% Prime and 50% Non-Conforming respectively (30 June 2024: 44% and 56% respectively).

**Asset Finance AUM** grew by \$0.6 billion on PCP to close 30 June 2025 at \$6.3 billion. Novated Lease accounted for 38% of closing AUM, up from 25% PCP, with Consumer accounting for 30% and Commercial 32% (30 June 2024: 35% and 40% respectively). No Whole Loan Sales for Asset Finance were executed over the period.

**Servicing AUM:** market demand for WLS remained strong over 1H 2025, resulting in Servicing AUM closing 30 June 2025 at \$4.3 billion, up \$2.1 billion, +90%, on PCP. WLS sees AUM transferred from Lending to Servicing.

#### HALF YEAR ENDED 30 JUNE 2025 versus 31 DECEMBER 2024

##### Total Originations grew \$0.7 billion on 2H 2024

**Mortgages Originations** grew by \$0.5 billion, 21%, over 2H 2024. Origination growth was strongest from the Prime portfolio (Residential and Commercial), increasing by \$0.7 billion over 2H 2024 to \$1.9 billion. Non-Conforming Originations declined by (19)% over 2H 2024.

**Asset Finance Originations** increased by \$0.2 billion, 15%, over 2H 2024. Origination mix was split 49% Novated Lease, 27% Consumer and 24% Commercial (2H 2024: 47%, 27% and 26% respectively).

##### Total AUM grew by \$1.0 billion on December 2024

**Mortgages AUM** reduced by \$(0.8) billion, (8)%, on 31 December 2024 following \$1.7 billion in WLS over the period. WLS transfers AUM from Mortgage (Lending) to the Servicing segment. Pepper Money continues to service the customer as part of the sale agreement.

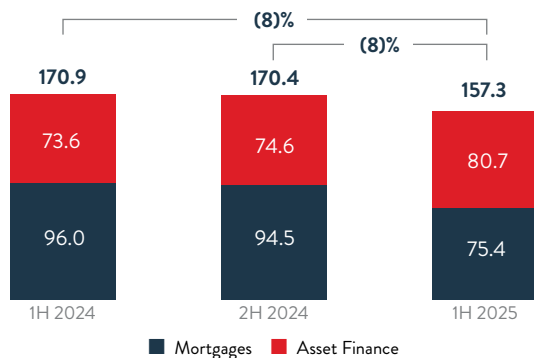
**Asset Finance AUM** increased by \$0.7 billion, 12% on December 2024 close, given the increase in Originations.

**Servicing AUM** closed 30 June 2025 up \$1.1 billion, 33%, on December 2024 close, driven by Whole Loan Sales executed over 1H 2025, net of customer attrition.

13. Figures reported for Assets Under Management (AUM) are closing AUM – Lending and Servicing.

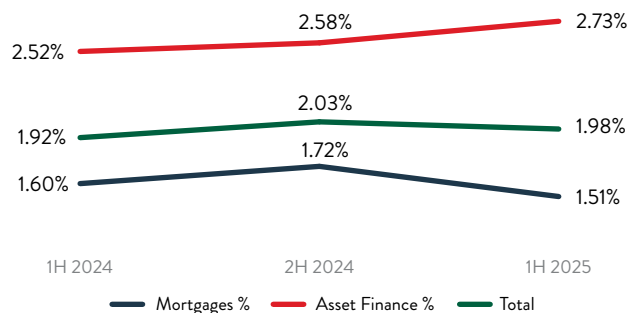
Net Interest Income<sup>14</sup>  
(\$ million)

\$157.3m



Net Interest Margin  
(%)

1.98%



HALF YEAR ENDED 30 JUNE 2025 versus 30 JUNE 2024

Total Net Interest Income of \$157.3 million declined (8)% on PCP

**Mortgages Net Interest Income** declined by \$(20.6) million versus PCP to close at \$75.4 million. The decline in Net Interest Income was driven in part by mix – as Originations and AUM mix shifted to Prime, and in part as a result of flow through of the Whole Loan Sales executed, shifting income from Net Interest to Other Operating Incomes (Loan & Other Servicing segment). RBA rate reductions were passed through to customers.

**Asset Finance Net Interest Income** increased to \$80.7 million, up 10% versus PCP. The increase reflects the strong flow through of increased Originations and improved Net Interest Margins.

Total NIM increased to 1.98%, up 6 bps on PCP

**Mortgage NIM** at 1.51% reduced by (9) bps on 1H 2024. While Mortgage NIM benefited from improved funding margins and stabilisation of BBSW volatility, the product mix and pricing strategies which supported strong Originations uplift contributed to NIM compression. Mortgage NIM has also been impacted by the accelerated run off of the HSBC acquired portfolio in New Zealand. RBA rate reductions were passed through to customers.

**Asset Finance NIM** increased 21 bps on the prior comparable period as the flow through of improved cost of funds and a relatively stable swap rate improved underlying yield.

HALF YEAR ENDED 30 JUNE 2025 versus 31 DECEMBER 2024

Total Net Interest Income declined (8)% on 2H 2024

**Mortgages Net Interest Income** was down \$(19.2) million on the second half of 2024, driven by product mix and the flow through of the Whole Loan Sales executed.

**Asset Finance Net Interest Income** closed 1H 2025 up \$6.1 million, 8%, on the second half of 2024 as strong Originations growth and improved Net Interest Margins drove income growth.

Total NIM contracted (5) bps over 2H 2024

**Mortgages NIM** versus 2H 2024 was down (21) bps as product/ country mix coupled with pricing initiatives which drove high Origination growth, impacted underlying margins.

**Asset Finance NIM** versus 2H 2024 gained 15 bps as funding strategies and stability in swap rates supported margin growth.

14. Loan and Other Servicing and Corporate segment Net Interest Income not displayed in the bar chart as not material but included in the total.

## Credit Performance

(\$ million)

Loan Loss Expense  
**\$(40.9)m**

Loan Loss Provisions  
**\$124.7m**

Coverage Ratio  
**0.79%**

| \$ Million            | 1H<br>2025    | 2H<br>2024    | 1H<br>2024    | 1H2025<br>v 2H24 | 1H2025<br>v 1H24 |
|-----------------------|---------------|---------------|---------------|------------------|------------------|
| Specific              | (35.8)        | (26.2)        | (46.7)        | (9.6)            | 10.9             |
| Collective:<br>Base   | (3.9)         | (1.5)         | 6.4           | (2.4)            | (10.3)           |
| Post Model<br>Overlay | (1.2)         | –             | (1.3)         | (1.2)            | 0.1              |
| <b>Total</b>          | <b>(40.9)</b> | <b>(27.7)</b> | <b>(41.6)</b> | <b>(13.2)</b>    | <b>0.7</b>       |

| As at                | AUM<br>\$ Billion | Collective<br>Provisions<br>\$ Million | Specific<br>Provisions<br>\$ Million | Total<br>Provision<br>\$ Million | Coverage<br>Ratio<br>% |
|----------------------|-------------------|--|--------------------------------------|----------------------------------|------------------------|
| <b>30 June 2025</b>  |                   |  |                                      |                                  |                        |
| <b>Mortgages</b>     | <b>9.5</b>        | <b>13.7</b>                            | <b>3.1</b>                           | <b>16.8</b>                      | <b>0.18%</b>           |
| <b>Asset Finance</b> | <b>6.3</b>        | <b>68.7</b>                            | <b>39.2</b>                          | <b>107.9</b>                     | <b>1.71%</b>           |
| <b>Total</b>         | <b>15.8</b>       | <b>82.4</b>                            | <b>42.3</b>                          | <b>124.7</b>                     | <b>0.79%</b>           |

|                         |             |             |             |              |              |
|-------------------------|-------------|-------------|-------------|--------------|--------------|
| <b>31 December 2024</b> |             |             |             |              |              |
| Mortgages               | 10.2        | 19.0        | 2.2         | 21.2         | 0.21%        |
| Asset Finance           | 5.6         | 58.3        | 37.4        | 95.7         | 1.70%        |
| <b>Total</b>            | <b>15.9</b> | <b>77.3</b> | <b>39.6</b> | <b>116.9</b> | <b>0.74%</b> |

|                     |             |             |             |              |              |
|---------------------|-------------|-------------|-------------|--------------|--------------|
| <b>30 June 2024</b> |             |             |             |              |              |
| Mortgages           | 11.3        | 28.5        | 3.0         | 31.5         | 0.28%        |
| Asset Finance       | 5.7         | 47.2        | 42.1        | 89.3         | 1.57%        |
| <b>Total</b>        | <b>17.0</b> | <b>75.7</b> | <b>45.1</b> | <b>120.8</b> | <b>0.71%</b> |

## HALF YEAR ENDED 30 JUNE 2025 versus 30 JUNE 2024

### Loan Losses Expense of \$40.9 million reduced by \$0.7 million versus PCP

**Loan Loss Expense** including Post Model overlay reduced by \$0.7 million on PCP. Expense movement was driven by:

- **Mortgage Loan Loss Expense** decreased by \$5.3 million versus 1H 2024. Collective decreased by \$4.9 million driven by Whole Loan Sales net of Originations. Specific decreased by \$0.4 million reflecting normal portfolio movement.
- **Asset Finance Loan Loss Expense** at \$(43.5) million increased by \$(4.6) million on PCP, (12%), in line with the increase in AUM, +11%. The main movement in Asset Finance Loan Loss Expense has been in Collective, inclusive of Post Model Overlay, which increased over PCP, given the writeback in 1H 2024 of Collective Provisions following the execution of the \$0.5 billion Whole Loan Sale in May 2024. Increase in Collective was partially offset by Specifics as late-stage arrears continue to improve following the spike in insolvencies experienced in late 2023 and 1H 2024.

### Total Provisions at \$124.7 million increased by \$3.9 million versus PCP

**Loan Loss Provisions** increased by 3% over 1H 2024 largely following the movement in Asset Finance AUM.

- **Mortgage Provisions** decreased by \$14.7 million versus 1H 2024, given provision releases following the execution of \$2.6 billion in Whole Loan Sales over the year to 30 June 2025 (\$0.9 billion 2H 2024 and \$1.7 billion 1H 2025), and a product mix shift towards Prime lending.
- **Asset Finance Loan Loss Provision** increased by \$18.6 million in total versus 1H 2024. Key movement is in Collective Provisions which increased by \$21.5 million following the movement in AUM given strong Originations growth over the first half of 2025 and given the provision releases from WLS in 2024.

## HALF YEAR ENDED 30 JUNE 2025 versus 31 DECEMBER 2024

### Loan Losses Expense increased by \$(13.2) million versus 2H 2024

**Loan Loss Expense** expense movement on 2H 2024 was driven by:

- **Mortgage Loan Loss Expense** incurred in 1H 2025 increased by \$(5.9) million on 2H 2024, as the second half of 2024 benefited from the release of \$6.0 million in Post Model Overlay. Base Loan Loss expense incurred was broadly consistent with 2H 2024.
- **Asset Finance Loan Loss Expense** increased by \$(7.3) million on 2H 2024 in line with the increase in Originations and AUM and given the writeback in 2H 2024 of Collective Provisions following the execution of the \$0.5 billion Whole Loan Sale in November 2024.

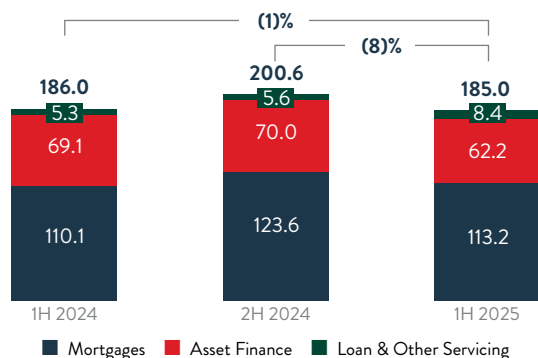
### Total Provisions increased by 7% versus December 2024 close

**Loan Loss Provisions** increased by \$7.8 million over 31 December 2024 largely following the movement in Asset Finance AUM.

- **Mortgage Provisions** decreased by (21)% versus December 2024 given provision releases following the execution of Whole Loan Sales over 1H 2025.
- **Asset Finance Loan Loss Provision** increased by \$12.2 million, +13%, versus 31 December 2024 following the movement in AUM given strong Originations growth, and as there were no provision releases from WLS over the first half of 2025.

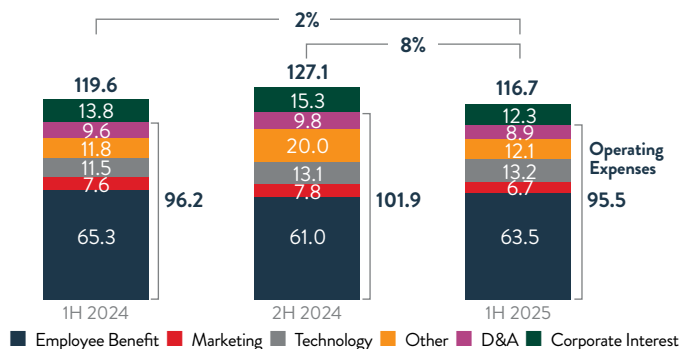
## Total Operating Income<sup>15</sup> (\$ million)

**\$185.0m**



## Total Expenses (\$ million)

**\$116.7m**



### HALF YEAR ENDED 30 JUNE 2025 versus 30 JUNE 2024

#### 1H 2025 Total Operating Income at \$185.0 million was (1)% below 1H 2024

**Mortgage Operating Income** over the first half of 2025 increased by \$3.1 million on 1H 2024 to \$113.2 million. Whole Loan Sale gains, volume growth driven by product and pricing initiatives, and strong underlying credit performance all contributed to improved Operating Income.

**Asset Finance Operating Income** at \$62.2 million for 1H 2025 declined (10)% on 1H 2024 as PCP benefited from Loan Loss provision release following the \$0.5 billion Whole Loan Sale in June 2024. No WLS have been executed over the first half of 2025 for Asset Finance.

**Loan and Other Servicing Operating Income** for 1H 2025 increased 57% on 1H 2024 as the flow through of Whole Loan Sale delivers capital light service income growth.

#### Total expenses reduced by \$2.9 million, 2%, on PCP

The business continues to deliver scale economies through leveraging its purpose-built technology as well as through ongoing process automation.

#### Total Expenses reduced \$2.9 million on PCP:

- **Employee benefit expense** decreased 3% on PCP, as ongoing scale and process efficiencies deliver benefits over and above wage inflation.
- **Marketing expense**, reduced by 11% on PCP, given the initial impact of new sponsorship arrangement was reported in 2H 2024.
- **Impairment in equity investments** were \$(0.8) million adverse versus PCP reflecting mark to market.
- **Technology expense** increased (15%), on PCP – expenses shifting in part from capitalised to operating. **Depreciation and amortisation expense** declined 7% over the same period.
- **Corporate Interest expense** improved by \$1.6 million on PCP reflecting \$57.5 million reduction in the drawn balance of the Corporate Debt Facility.

### HALF YEAR ENDED 30 JUNE 2025 versus 31 DECEMBER 2024

#### Total Operating Income declined (8)% on 2H 2024

**Mortgage Operating Income** decreased (8)% on 2H 2024, driven in part by the seasonality of the mortgage market, as well as pricing initiatives driving strong volume uplift in Prime.

**Asset Finance Operating Income** declined on 2H 2024 by (11)% driven largely by Loan Loss provision release and premium received on the execution of a \$0.5 billion Whole Loan Sale in 2H 2024.

**Loan and Other Servicing Operating Income** for 1H 2025 increased \$2.8 million on the second half of 2024, as the demand for Whole Loan Sales deliver capital light service income growth.

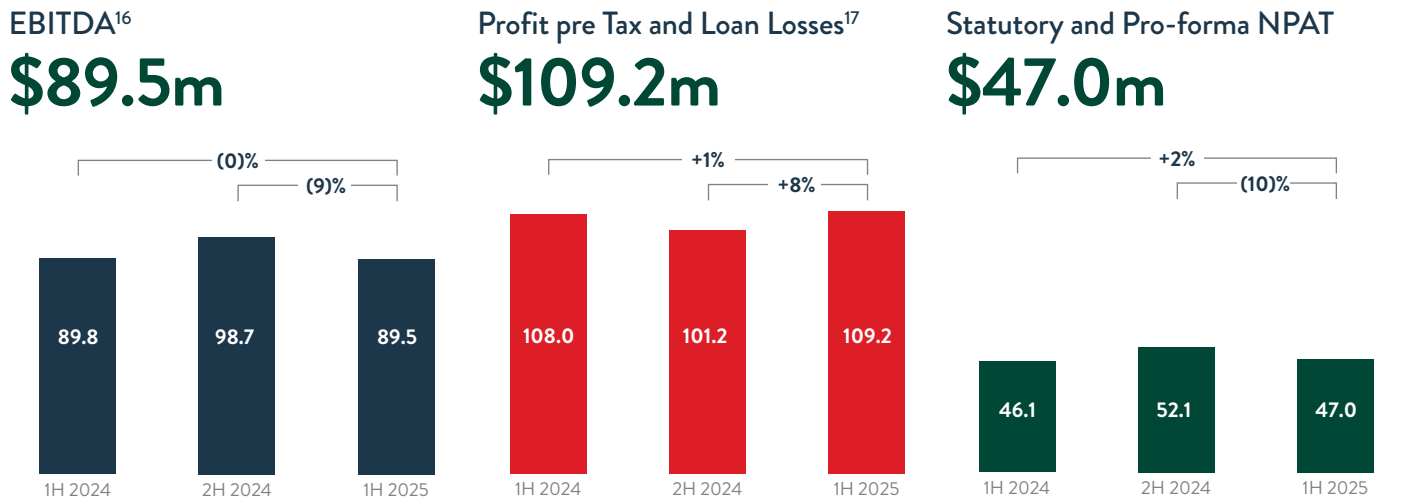
#### Total expenses improved by 8% on 2H 2024

#### Total Expenses declined \$10.4 million on 2H 2024:

- **Employee benefit expense** increased (4)% on the second half of 2024 reflecting underlying salary and wage inflation.
- **Marketing expense** decreased by 14% on the second half of 2024 given the initial phase of the new sponsorship arrangement, which was reported in 2H 2024 marketing spend.
- **Impairment in equity investments** improved by \$5.1 million on 2H 2024.
- **Technology expense** only marginally increased by (1)% over 2H 2024, **Depreciation and amortisation** declined 10% over the same period.
- **Corporate interest expense** declined by \$3.1 million following the repayment of \$27.5 million of the Corporate Debt Facility in February 2025 and improved BBSY.

15. Total Operating Income: chart does not show Corporate segment as not material, however has been included in the total.

## Profitability (\$ million)



### HALF YEAR ENDED 30 JUNE 2025 versus 30 JUNE 2024

|   |   |  |
|---|---|--|
| EBITDA at \$89.5 million for 1H 2025 is in line with 1H 2024. | Profit pre-Tax and Loan Loss Expense grew by 1% on PCP to \$109.2 million, with the marginal decline in Total Operating Income before Loan Loss Expense offset by strong cost management. | Statutory and Pro-forma NPAT grew by 2% on PCP as stable Total Operating Income coupled with disciplined cost management drives an uplift in underlying profitability. |
|---|---|--|

### HALF YEAR ENDED 30 JUNE 2025 versus 31 DECEMBER 2024

|  |   |   |
|--|---|---|
| EBITDA was (9)% lower than 2H 2024 given seasonality of property market sales. | Profit pre-Tax and Loan Loss Expense grew by 8% on 2H 2024, given growth in Total Operating Income, before Loan Loss Expense and the reduction in Total Expenses. | Statutory and Pro-forma NPAT, was (10)% lower than 2H 2024. |
|--|---|---|

## Shareholder returns

|  |   |   |
|--|---|---|
| <b>Special Dividend</b><br><b>12.5</b> cents per share<br><b>13.9%</b><br>Annualised yield <sup>18</sup> | <b>2025 Interim Dividend</b><br><b>6.4</b> cents per share<br>Up 28% on 2024 Interim<br><b>7.1%</b><br>Annualised yield | <b>1H 2025 Dividends declared</b><br><b>\$83.7m</b><br><b>20.9%</b><br>Annualised yield |
|--|---|---|

The Board has declared a **fully franked Interim Dividend** for 2025 of 6.4 cents per share, representing a **payout ratio** of 60.0% of the Pro-forma NPAT for the period 1 January – 30 June 2025, up from the 2024 Interim Dividend payout ratio 47.5%.

Combined with the **fully franked Special Dividend** of 12.5 cents per share declared 3 June 2025<sup>19</sup>, Pepper Money has declared **fully franked Dividends** of 18.9 cents per share to shareholders as at 30 June 2025, delivering an **annualised dividend yield** of 20.9%.

16. EBITDA: Earnings before interest, tax, depreciation and amortisation.  
17. Profit before tax and loan loss expense.  
18. Annualised yield: based on 30 June 2025 share price of \$1.80.  
19. Declared 3 June 2025, record date 11 June 2025 and payment date 16 July 2025.

## Funding and capital

Pepper Money maintains access to a diversified funding platform supported by established funding relationships and a Board approved funding policy.

**Funding:** the following funding channels are currently used to support Pepper Money's lending activities:

- **Public Term securitisations:** loans that are initially funded via a warehouse facility can be pooled together and refinanced by being sold to a new funding vehicle that issues limited-recourse asset-backed securities to public market investors.
- **Private Term securitisation:** funding transactions that are similar to Public Term Securitisations, which result in Pepper Money raising funds from a single investor or a small number of investors.
- **Whole Loan Sales:** Pepper Money can create additional funding capacity by selling specific pools of loans that allows the release and recycle of capital.
- **Warehouse facilities:** limited recourse Funding Vehicles established by Pepper Money and provided by funding partners that finance the origination or purchase of new loans, or the purchase of loans from Term transactions to facilitate the exercise and fulfilment of call options.

Over the first half of 2025, the following Public Term Securitisations and Whole Loan Sales/Private Term Securitisations were completed:

**Public Term securitisation, total \$1.0 billion:**

- **SPARKZ 9** (ABS) was settled on 19 March 2025 and is a domestic car and equipment asset-backed issuance of \$1,027.0 million;

**Whole Loan Sales/Private Term securitisations, totalling \$1.7 billion:**

- two Prime Mortgage Whole Loan Sales totalling \$973.3 million; and
- a Non-Conforming Mortgage Whole Loan Sale of \$756.6 million.

Warehouse facility limits at 30 June 2025 were \$11.5 billion, an increase of \$0.6 billion on 31 December 2024 and an increase by \$2.3 billion on 30 June 2024.

**Capital and liquidity management:** Pepper Money's cash resources, including cash funded via Pepper Money's Corporate Debt Facility and Debt Issuance Program, are used to fund Pepper Money's investment in Junior Securities in Warehouse Facilities and Term Securitisations, investment in CRR (Credit Risk Retention) Securities to meet credit risk retention requirements, funding of various loan assets (predominantly seed pools for new asset classes) and other operating expenses.

Following the maturity, and repayment, of Pepper Money's **Corporate Debt Facility** (CDF), a new syndicated 3-year revolving credit facility was established on 23 May 2024. The key terms of the corporate debt facilities are summarised below:

| Facility Name            | Syndicated Facility Agreement <sup>20</sup>  | Medium Term Notes   |
|--------------------------|--|---|
| Commencement Date        | 23 May 2024  | 13 October 2021   |
| Facility Size            | A\$270.0 million<br>Revolving cash advance facility  |   |
| Drawn as of 30 June 2025 | A\$97.5 million  | A\$90.0 million   |
| Interest and Fees        | At a minimum, the CDF bears interest at the 90-day BBSY rate (the Australian bank bill swap reference rate (bid) plus a variable margin).<br>Fees paid/payable in connection with the CDF include the following: <ul style="list-style-type: none"><li>• a one-off upfront fee paid on drawdown of the CDF; and</li><li>• an ongoing commitment fee on the undrawn portion of the commitments.</li></ul> | The Medium-Term Notes bear interest at 3-month BBSW <sup>21</sup> plus a margin, which increases over time.<br><br>A one-off upfront fee paid on drawdown of the Notes. |

Over the twelve months to 30 June 2025, and in line with Pepper Money's capital management strategy, \$57.5 million of the Corporate Debt Facility has been repaid, with the drawn amount as at 30 June 2025 reduced to \$97.5 million (30 June 2024: \$155.0 million; 31 December 2024: \$125.0 million).

At 30 June 2025, the Group had \$142.9 million in unrestricted cash (30 June 2024: \$99.8 million, 31 December 2024: \$124.0 million).

20. Known as the Corporate Debt Facility (CDF).

21. BBSW: Australian Bank Bill Swap Rate.

## Dividend and shareholder return

In line with the Group's capital management strategy, part of the cash released from Whole Loan Sales was returned to shareholders via a fully franked Special Dividend of 12.5 cents per share, declared 3 June 2025 and paid on 16 July 2025. The Special Dividend represents an annualised yield of 13.9%.

The Board has declared a fully franked Interim Dividend of 6.4 cents per ordinary share which will be paid on 10 October 2025. This represents a payout ratio of 60.0% of Pro-forma NPAT for the six months to 30 June 2025, up from 47.5% for the 2024 Interim Dividend. The 2025 Interim Dividend represents an annual yield of 7.1% (2024 Interim 6.7%).

|  | 1H 2025               | 1H 2024               |
|--|-----------------------|-----------------------|
|  | Statutory & Pro Forma | Statutory & Pro Forma |
| Unrestricted Cash (\$ million)         | 142.9                 | 99.8                  |
| Issued Shares (# million)              | 443.9                 | 441.6                 |
| Pro-forma NPAT (\$ million)            | 47.0                  | 46.1                  |
| <b>Special Dividend</b>                |                       |                       |
| Special Dividend (\$ million)          | 55.5                  |                       |
| Special Dividend per Share (cents)     | 12.5                  |                       |
| Special Dividend yield: annualised     | 13.9%                 |                       |
| <b>Interim Dividend</b>                |                       |                       |
| Interim Dividend Payout Ratio          | 60.0%                 | 47.5%                 |
| Interim Dividend proposed (\$ million) | 28.2                  | 21.9                  |
| Interim Dividend per Share (cents)     | 6.4                   | 5.0                   |
| Interim Dividend yield: annualised     | 7.1%                  | 6.7%                  |
| <b>Total Dividend</b>                  |                       |                       |
| Total Dividend Declared (\$ million)   | 83.7                  |                       |
| Dividend per Share (cents)             | 18.9                  |                       |
| Dividend yield: annualised             | 20.9%                 |                       |

## Consolidated balance sheet (extract)

| \$ Million   | 30 June<br>2025 | 31 December<br>2024 | 30 June<br>2024 |
|--|-----------------|---------------------|-----------------|
| <b>Assets</b>  |                 |                     |                 |
| Cash and cash equivalents                              | 999.9           | 1,226.2             | 1,106.3         |
| Receivables  | 16.5            | 13.9                | 15.7            |
| Loans and advances                                     | 15,892.8        | 15,991.8            | 17,120.5        |
| Derivative financial assets                            | 3.8             | 21.0                | 64.6            |
| Other financial assets                                 | 13.4            | 15.3                | 19.8            |
| Other assets   | 10.8            | 13.4                | 5.9             |
| Deferred tax assets                                    | 63.1            | 37.1                | 15.6            |
| Property, plant and equipment                          | 22.1            | 25.4                | 28.4            |
| Goodwill and intangibles                               | 124.9           | 128.3               | 137.8           |
| <b>Total Assets</b>                                    | <b>17,147.3</b> | <b>17,472.4</b>     | <b>18,514.6</b> |
| <b>Liabilities</b>                                     |                 |                     |                 |
| Trade payables   | 14.7            | 16.0                | 12.0            |
| Current tax  | 6.5             | 12.5                | 4.3             |
| Provisions   | 26.5            | 27.7                | 25.6            |
| Borrowings   | 16,121.7        | 16,467.4            | 17,511.1        |
| Derivative liabilities                                 | 54.0            | 10.3                | 1.7             |
| Other liability categories <sup>22</sup>               | 84.0            | 29.1                | 40.1            |
| Other financial liabilities – trail commission payable | 62.9            | 53.8                | 60.4            |
| <b>Total Liabilities</b>                               | <b>16,370.3</b> | <b>16,616.8</b>     | <b>17,655.2</b> |
| <b>Net Assets</b>                                      | <b>777.0</b>    | <b>855.6</b>        | <b>859.4</b>    |
| <b>Net Tangible Assets</b>                             | <b>652.1</b>    | <b>727.3</b>        | <b>721.6</b>    |

The Group had loans and advances as at 30 June 2025 of \$15.9 billion (31 December 2024: \$16.0 billion), reflecting a (1)% net portfolio change on December 2024 close. The Group originated \$4.5 billion in new financial assets in the period, while over the same period executed Whole Loan Sales totalling \$1.7 billion. Asset growth was further financed by a Public Term securitisation of \$1.0 billion. Warehouse capacity was increased by \$0.6 billion on 31 December 2024 to \$11.5 billion.

22. Includes \$55.5 million special dividend declared on 3 June 2025 and paid on 16 July 2025.

### Events occurring after the reporting period

#### Interim Dividend declared

The Pepper Money Limited Board declared a fully-franked Interim Dividend of 6.4 cents per share on 21 August 2025. The Record Date is 12 September 2025 and the payment date is 10 October 2025.

The Interim Dividend has not been provided for in this financial report.

#### Special Dividend

A fully-franked Special Dividend of 12.5 cents per share was declared on 3 June 2025 and paid on 16 July 2025. The Special Dividend has been provided for in this financial report.

Other than as noted above, there has not been any matter or circumstance occurring subsequent to the end of the period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

### Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 20 and forms part of this report.

### Rounding of amounts

The Company is a company of a kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, relating to the "rounding off" of amounts in the directors' report. Unless otherwise indicated, amounts in the directors' report and half-year financial report have been rounded off in accordance with the instrument to the nearest million dollars.

This report is signed in accordance with a resolution of the Directors made pursuant to s306(3) of the *Corporations Act 2001*.

On behalf of the Directors of Pepper Money Limited.



**Akiko Jackson**  
Chair

21 August 2025



**Mario Rehayem**  
CEO and Director

21 August 2025



## Condensed Consolidated Financial Statements for the half-year ended 30 June 2025



# Auditor's Independence Declaration



Deloitte Touche Tohmatsu  
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Sydney, NSW, 2000

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21 August 2025

The Board of Directors  
Pepper Money Limited  
Level 27, 177 Pacific Highway  
North Sydney NSW 2060

Dear Board Members

## Auditor's Independence Declaration to Pepper Money Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Pepper Money Limited.

As lead audit partner for the review of the half-year financial report of Pepper Money Limited for the half-year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully

A handwritten signature in cursive script that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in cursive script that reads "Heather Baister".

Heather Baister  
Partner  
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

# Independent Auditor's Report



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## Independent Auditor's Review Report to the Members of Pepper Money Limited

### *Conclusion*

We have reviewed the half-year financial report of Pepper Money Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2025, and the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the Directors' Declaration as set out on pages 23 to 46.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's review report.

### *Directors' Responsibilities for the Half-year Financial Report*

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

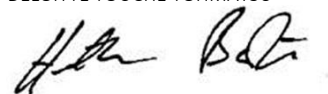
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## Deloitte.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



Heather Baister  
Partner  
Chartered Accountants

Sydney, 21 August 2025

# Condensed consolidated statement of profit or loss

|  |       | Half-year ended        |                        |
|--|-------|------------------------|------------------------|
|  | Notes | 30 June<br>2025<br>\$M | 30 June<br>2024<br>\$M |
| Interest income  | 2(A)  | 637.5                  | 732.4                  |
| Interest expense <sup>1</sup>                          | 2(A)  | (480.2)                | (561.5)                |
| <b>Net interest income<sup>1</sup></b>                 |       | <b>157.3</b>           | <b>170.9</b>           |
| Lending fee income                                     | 2(B)  | 32.5                   | 33.4                   |
| Lending expense  | 2(B)  | (14.7)                 | (13.9)                 |
| Whole loan sales gain                                  |       | 30.6                   | 19.1                   |
| Loan losses  | 3(B)  | (40.9)                 | (41.6)                 |
| Servicing fees and other income                        | 2(B)  | 20.2                   | 18.1                   |
| <b>Total operating income</b>                          |       | <b>185.0</b>           | <b>186.0</b>           |
| Employee benefits expense                              | 2(D)  | (63.5)                 | (65.3)                 |
| Marketing expense                                      |       | (6.7)                  | (7.6)                  |
| Technology expense                                     |       | (13.2)                 | (11.5)                 |
| General and admin expense                              |       | (8.6)                  | (9.1)                  |
| Fair value losses on financial assets                  |       | (3.5)                  | (2.7)                  |
| Depreciation and amortisation expense                  |       | (8.9)                  | (9.6)                  |
| Corporate interest expense                             |       | (12.3)                 | (13.8)                 |
| <b>Operating expenses</b>                              |       | <b>(116.7)</b>         | <b>(119.6)</b>         |
| <b>Profit before income tax</b>                        |       | <b>68.3</b>            | <b>66.4</b>            |
| Income tax expense                                     |       | (21.3)                 | (20.3)                 |
| <b>Net profit after income tax</b>                     |       | <b>47.0</b>            | <b>46.1</b>            |
| Attributable to equity holders of Pepper Money Limited |       | 47.0                   | 46.7                   |
| Attributable to non-controlling interests              |       | –                      | (0.6)                  |

|                                 | Note | Cents per<br>share | Cents per<br>share |
|---------------------------------|------|--------------------|--------------------|
| <b>Earnings per share (EPS)</b> |      |                    |                    |
| Basic EPS                       | 2(E) | 10.62              | 10.46              |
| Diluted EPS                     |      | 10.16              | 10.03              |

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying Notes.

1. Excludes corporate interest expense.

# Condensed consolidated statement of comprehensive income

|  | Half-year ended        |                        |
|--|------------------------|------------------------|
|  | 30 June<br>2025<br>\$M | 30 June<br>2024<br>\$M |
| Net profit after tax   | 47.0                   | 46.1                   |
| <b>Other comprehensive income that may be recycled to profit or loss</b>                 |                        |                        |
| Currency translation movement  | 0.8                    | (0.5)                  |
| Changes in fair value of hedging instruments   | (60.9)                 | 16.0                   |
| Income tax relating to items that may be recycled to profit or loss                      | 18.3                   | (4.8)                  |
| <b>Total other comprehensive (expense)/income that may be recycled to profit or loss</b> | <b>(41.8)</b>          | <b>10.7</b>            |
| <b>Total comprehensive income for the period</b>   | <b>5.2</b>             | <b>56.8</b>            |
| <b>Total comprehensive income attributable to:</b>                                       |                        |                        |
| Owners of Pepper Money Limited   | 5.2                    | 57.4                   |
| Non-controlling interests  | –                      | (0.6)                  |

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying Notes.

# Condensed consolidated statement of financial position

|  |       | As at                  |                            |
|--|-------|------------------------|----------------------------|
|  | Notes | 30 June<br>2025<br>\$M | 31 December<br>2024<br>\$M |
| <b>Assets</b>  |       |                        |                            |
| Cash and cash equivalents  | 3(A)  | 999.9                  | 1,226.2                    |
| Receivables  |       | 16.5                   | 13.9                       |
| Derivative financial assets  |       | 3.8                    | 21.0                       |
| Loans and advances   | 3(B)  | 15,892.8               | 15,991.8                   |
| Other financial assets   |       | 13.4                   | 15.3                       |
| Other assets   |       | 10.8                   | 13.4                       |
| Deferred tax assets  |       | 63.1                   | 37.1                       |
| Property, plant and equipment                                      |       | 22.1                   | 25.4                       |
| Goodwill and intangibles   |       | 124.9                  | 128.3                      |
| <b>Total assets</b>  |       | <b>17,147.3</b>        | <b>17,472.4</b>            |
| <b>Liabilities</b>   |       |                        |                            |
| Trade payables   |       | 14.7                   | 16.0                       |
| Current tax  |       | 6.5                    | 12.5                       |
| Provisions   |       | 26.5                   | 27.7                       |
| Derivative liabilities   |       | 54.0                   | 10.3                       |
| Borrowings   | 4(A)  | 16,121.7               | 16,467.4                   |
| Other liabilities  |       | 84.0                   | 29.1                       |
| Other financial liabilities – trail commission payable             | 5(A)  | 62.9                   | 53.8                       |
| <b>Total liabilities</b>   |       | <b>16,370.3</b>        | <b>16,616.8</b>            |
| <b>Total net assets</b>  |       | <b>777.0</b>           | <b>855.6</b>               |
| <b>Equity</b>  |       |                        |                            |
| Issued capital   | 7(A)  | 736.6                  | 730.7                      |
| Other reserves   |       | (19.9)                 | 24.6                       |
| Retained earnings  |       | 60.3                   | 100.3                      |
| <b>Total equity attributable to owners of Pepper Money Limited</b> |       | <b>777.0</b>           | <b>855.6</b>               |
| <b>Total equity</b>  |       | <b>777.0</b>           | <b>855.6</b>               |

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying Notes.

# Condensed consolidated statement of changes in equity

|  | Issued capital<br>\$M | Currency translation reserve<br>\$M | Cash flow hedge reserve<br>\$M | Share-based payments reserve<br>\$M | Business combinations reserve<br>\$M | Retained earnings<br>\$M | Attributable to owners of the Group<br>\$M | Non-controlling interests<br>\$M | Total equity<br>\$M |
|--|-----------------------|-------------------------------------|--------------------------------|-------------------------------------|--------------------------------------|--------------------------|--|----------------------------------|---------------------|
| <b>1 January 2024</b>                        |                       |                                     |                                |                                     |                                      |                          |  |                                  |                     |
| Opening balance                              | 729.8                 | (0.4)                               | 33.1                           | 17.3                                | -                                    | 45.6                     | 825.4                                      | 37.4                             | 862.8               |
| Profit for the period                        | -                     | -                                   | -                              | -                                   | -                                    | 46.7                     | 46.7                                       | (0.6)                            | 46.1                |
| Currency translation movements               | -                     | (0.5)                               | -                              | -                                   | -                                    | -                        | (0.5)                                      | -                                | (0.5)               |
| Cash flow hedge movements, net of income tax | -                     | -                                   | 11.2                           | -                                   | -                                    | -                        | 11.2                                       | -                                | 11.2                |
| Total comprehensive income                   | -                     | (0.5)                               | 11.2                           | -                                   | -                                    | 46.7                     | 57.4                                       | (0.6)                            | 56.8                |
| Ordinary shares issued                       | 2.9                   | -                                   | -                              | -                                   | -                                    | -                        | 2.9  | -                                | 2.9                 |
| Dividends paid                               | -                     | -                                   | -                              | -                                   | -                                    | (22.0)                   | (22.0)                                     | -                                | (22.0)              |
| Other equity movements                       | -                     | -                                   | -                              | -                                   | (5.1)                                | -                        | (5.1)                                      | -                                | (5.1)               |
| Derecognition of non-controlling interests   | -                     | -                                   | -                              | -                                   | -                                    | -                        | -  | (36.8)                           | (36.8)              |
| Share-based payments                         | -                     | -                                   | -                              | 0.8                                 | -                                    | -                        | 0.8  | -                                | 0.8                 |
| <b>Balance as at 30 June 2024</b>            | <b>732.7</b>          | <b>(0.9)</b>                        | <b>44.3</b>                    | <b>18.1</b>                         | <b>(5.1)</b>                         | <b>70.3</b>              | <b>859.4</b>                               | <b>-</b>                         | <b>859.4</b>        |
| <b>1 January 2025</b>                        |                       |                                     |                                |                                     |                                      |                          |  |                                  |                     |
| Opening balance                              | 730.7                 | (1.0)                               | 7.4                            | 23.0                                | (4.8)                                | 100.3                    | 855.6                                      | -                                | 855.6               |
| Profit for the period                        | -                     | -                                   | -                              | -                                   | -                                    | 47.0                     | 47.0                                       | -                                | 47.0                |
| Currency translation movements               | -                     | 0.8                                 | -                              | -                                   | -                                    | -                        | 0.8  | -                                | 0.8                 |
| Cash flow hedge movements, net of income tax | -                     | -                                   | (42.6)                         | -                                   | -                                    | -                        | (42.6)                                     | -                                | (42.6)              |
| Total comprehensive income                   | -                     | 0.8                                 | (42.6)                         | -                                   | -                                    | 47.0                     | 5.2  | -                                | 5.2                 |
| Ordinary shares issued                       | 6.3                   | -                                   | -                              | -                                   | -                                    | -                        | 6.3  | -                                | 6.3                 |
| Share buyback cancelled shares               | (0.4)                 | -                                   | -                              | -                                   | -                                    | -                        | (0.4)                                      | -                                | (0.4)               |
| Dividends paid and/or declared               | -                     | -                                   | -                              | -                                   | -                                    | (87.0)                   | (87.0)                                     | -                                | (87.0)              |
| Share-based payments                         | -                     | -                                   | -                              | (2.7)                               | -                                    | -                        | (2.7)                                      | -                                | (2.7)               |
| <b>Balance as at 30 June 2025</b>            | <b>736.6</b>          | <b>(0.2)</b>                        | <b>(35.2)</b>                  | <b>20.3</b>                         | <b>(4.8)</b>                         | <b>60.3</b>              | <b>777.0</b>                               | <b>-</b>                         | <b>777.0</b>        |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying Notes.

# Condensed consolidated statement of cash flows

|  | Half-year ended        |                        |
|--|------------------------|------------------------|
|  | 30 June<br>2025<br>\$M | 30 June<br>2024<br>\$M |
| <b>Cash flows from operating activities</b>                        |                        |                        |
| Interest received  | 620.1                  | 721.2                  |
| Interest paid  | (481.2)                | (578.6)                |
| Receipts from loan fees and other income                           | 51.2                   | 49.6                   |
| Payments to suppliers and employees                                | (112.7)                | (108.9)                |
| (Payments)/receipts of net loans (to)/from borrowers               | (1,642.7)              | 180.6                  |
| Proceeds from sale of loan portfolios                              | 1,763.6                | 1,152.9                |
| Income taxes paid  | (34.9)                 | (24.1)                 |
| <b>Net cash inflow from operating activities</b>                   | <b>163.4</b>           | <b>1,392.7</b>         |
| <b>Cash flows from investing activities</b>                        |                        |                        |
| Payment for intangibles and other assets                           | (3.6)                  | (3.1)                  |
| Payment for investments  | –                      | (3.4)                  |
| Payments for business acquired                                     | –                      | (41.9)                 |
| <b>Net cash (outflow) from investing activities</b>                | <b>(3.6)</b>           | <b>(48.4)</b>          |
| <b>Cash flows from financing activities</b>                        |                        |                        |
| Proceeds from borrowings   | 5,503.4                | 3,521.7                |
| Repayment of borrowings  | (5,853.9)              | (5,262.8)              |
| Repayment of lease liabilities                                     | (3.7)                  | (3.6)                  |
| Share buyback  | (0.4)                  | –                      |
| Payment of dividends   | (31.5)                 | (22.0)                 |
| <b>Net cash (outflow) from financing activities</b>                | <b>(386.1)</b>         | <b>(1,766.7)</b>       |
| <b>Net (decrease) in cash and cash equivalents</b>                 | <b>(226.3)</b>         | <b>(422.4)</b>         |
| Cash and cash equivalents at the beginning of the financial period | 1,226.2                | 1,528.7                |
| <b>Cash and cash equivalents at end of period</b>                  | <b>999.9</b>           | <b>1,106.3</b>         |

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying Notes.

# Notes to the Condensed Consolidated Financial Statements

## 1. General information

### A. Reporting entity

These condensed consolidated financial statements are for the consolidated Group (the “Group”) consisting of Pepper Money Limited (“Pepper Money” or “the Company”) and its controlled entities and were approved and authorised for issue in accordance with a resolution of the Directors on 21 August 2025.

Pepper Money Limited is a public company limited by shares domiciled in Australia and was listed on the Australian Securities Exchange (“ASX”) on 25 May 2021. The ASX ticker code is PPM.

### B. Basis of preparation

The condensed consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that have been measured at fair value.

The accounting policies are consistent with Australian Accounting Standards.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the annual financial report for the financial year ended 31 December 2024.

### C. Statement of compliance

These condensed consolidated financial statements have been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with IFRS Accounting Standard IAS 34 *Interim Financial Reporting*.

This interim financial report does not contain all disclosures of the type normally found within an annual financial report and therefore cannot be expected to provide as full an understanding of the financial position and financial performance of the Group as that given by the annual financial report. This report should be read in conjunction with the annual financial report for the financial year ended 31 December 2024 and any public announcements made up until the date of this interim financial report.

### D. Accounting estimates

The preparation of these condensed consolidated financial statements requires the use of judgement, estimates and assumptions about the carrying value of assets, liabilities, revenues and expenses that are not readily apparent from other sources. Should different assumptions or estimates be applied, the resulting values may change, impacting the net assets and income of the Group. These estimates and assumptions are reviewed on an ongoing basis.

The nature of significant estimates and judgements that the Directors have made in the process of applying the Group’s accounting policies, are noted below.

#### a. Determination of impairment losses on loans and advances

The Group recognises an allowance for expected credit losses (“ECLs” or “Provisions for loan impairment”) for all financial assets held at either amortised cost, or fair value through other comprehensive income. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include, where applicable, cash flows from the sale of collateral held.

The Group’s approach to ECL estimation in respect of loans and advances is detailed below. The ECL required in respect of other credit risk exposures is not significant to the Group.

#### *ECL for loans and advances*

The Group’s approach consists of three components, being:

1. modelled collective ECL;
2. post-model overlay adjustments; and
3. specific provisions.

ECLs are evaluated on a monthly basis as part of the Group's overall approach to monitoring, measuring and managing credit risk. A portfolio approach is taken in managing credit risk, with the individual management of facilities/customers applied to address specific circumstances as the credit life-cycle develops. The Group has aligned its approach to estimating ECLs with its credit risk management practices and the requirements of AASB 9 *Financial Instruments*, which incorporates segmentation between the following three stages at each reporting date:

|         | Stage  | Required provision  | Provision approach   |
|---------|--|---|--|
| Stage 1 | Performing loans and advances less than 30 days past due   | Losses that arise from a default event in the next 12 months                      | Modelled collective provision, post-model overlay adjustments                      |
| Stage 2 | All loans and advances where a significant increase in credit risk has occurred since origination (see below for further detail)                                   | Loss provision equal to the expected loss over the expected lifetime of the asset | Modelled collective provision, post-model overlay adjustments                      |
| Stage 3 | All loans and advances 90+ days in arrears, other loans and advances which are considered credit impaired (e.g. where the counterparty has been declared bankrupt) | Lifetime ECL provision incorporating a 100% probability of default                | Modelled collective provision, post-model overlay adjustments, specific provisions |

### Key estimates for ECL

The following items are the key matters of judgement in estimating ECLs:

|  |   |
|--|---|
| Significant increase in credit risk ("SICR") | An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased, the Group considers qualitative (e.g. watch lists), quantitative (e.g. 30+ days in arrears), and other reasonable, supportable forward-looking information.   |
| Probability of default ("PD")                | An estimate of the likelihood of default over a given time horizon. The Group's PDs are estimates that consider the contractual maturities of exposures and estimated prepayment rates. The estimate is based on current conditions, adjusted to consider estimates of future conditions that will impact PD.   |
| Loss given default ("LGD")                   | An estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, considering the cash flow capacity of the borrower (including collateral). The LGD is net of recoveries and other costs (eg. collection charges and legal fees).  |
| Exposure at default ("EAD")                  | The estimated outstanding amount of credit exposure at the time of default, considering repayment of principal and interest, expected additional drawdowns and accrued interest.  |
| Forward-looking adjustments                  | Captures estimated impacts of scenario weighted macro-economic assumptions. The Group considers macro-economic factors including inflation, unemployment rates and the cash rate analysed across three scenarios – base case, upside and downside. The Group's analysis is informed by a combination of publicly available macro-economic forecasts in respect of the Australian and New Zealand economies, combined with Group portfolio information, judgements and analysis. |
| Post-model overlay adjustments               | The Group applies adjustments to the modelled ECL result to ensure that the provision balance is sufficiently responding to changes in the credit risk profile of the loans which are not modelled in the above assumptions. As at 30 June 2025, the post-model overlay adjustment was \$11.2 million (31 December 2024: \$10.0 million).   |

### b. Goodwill and intangibles

Goodwill on acquisitions of subsidiaries is included in goodwill and intangibles in the statement of financial position. The Group determines whether goodwill and other identifiable intangible assets with indefinite useful lives, are impaired at least annually, or more frequently if events or changes in circumstances indicate that they might be impaired.

Impairment testing requires an estimation of the recoverable amount of the cash generating units ("CGUs") to which the goodwill and other intangible assets with indefinite useful lives are allocated, or where impairment indicators are identified.

### c. Share-based payments valuation

In measuring and recognising various equity-settled share-based payment arrangements, the Group utilises valuation models which require judgement, such as grant date fair value and vesting probability.

### d. Net present value of trail commission payable

The recognition of expected future trail commission payable in the statement of financial position is an accounting estimate, given the valuation techniques and assumptions applied in the modelling.

Key assumptions underlying the estimation of the present value of future cash flows include the run-off rate and discount rate. These assumptions are determined based on experience and current and forecast economic factors.

Refer to Note 5(A) for further information, including the key assumptions used.

## E. Accounting Standards adopted in the period

The Group has not early adopted any Standard, interpretation or amendment that has been issued but is not yet effective. Several amendments were mandatorily effective for the current reporting period but did not have an impact on the condensed consolidated financial statements of the Group.

The information presented in Note 1 is considered relevant to an understanding of the condensed consolidated financial statements.

## 2. Financial performance

### A. Interest income and interest expense

|                              | Half-year ended        |                        |
|------------------------------|------------------------|------------------------|
|                              | 30 June<br>2025<br>\$M | 30 June<br>2024<br>\$M |
| <b>Interest income:</b>      |                        |                        |
| Interest from customers      | 615.6                  | 705.7                  |
| Bank interest                | 21.9                   | 26.7                   |
| <b>Total interest income</b> | <b>637.5</b>           | <b>732.4</b>           |
| <b>Interest expense:</b>     |                        |                        |
| Interest expense             | (480.2)                | (561.5)                |
| <b>Net interest income</b>   | <b>157.3</b>           | <b>170.9</b>           |

## B. Non-interest income and expenses

### *Lending fee income*

|                                 | Half-year ended        |                        |
|---------------------------------|------------------------|------------------------|
|                                 | 30 June<br>2025<br>\$M | 30 June<br>2024<br>\$M |
| Settlement fees                 | 15.9                   | 14.7                   |
| Post-settlement fees            | 16.6                   | 18.7                   |
| <b>Total lending fee income</b> | <b>32.5</b>            | <b>33.4</b>            |

### *Lending expense*

|  | Half-year ended        |                        |
|--|------------------------|------------------------|
|  | 30 June<br>2025<br>\$M | 30 June<br>2024<br>\$M |
| Trustee and other Special Purpose Vehicle (SPV) expenses | (1.2)                  | (1.5)                  |
| Enforcement costs  | (4.3)                  | (4.8)                  |
| GST input tax loss                                       | (1.9)                  | (2.2)                  |
| Origination expense                                      | (3.1)                  | (1.7)                  |
| Other lending expense                                    | (4.2)                  | (3.7)                  |
| <b>Total lending expense</b>                             | <b>(14.7)</b>          | <b>(13.9)</b>          |

### *Servicing fees and other income*

|  | Half-year ended        |                        |
|--|------------------------|------------------------|
|  | 30 June<br>2025<br>\$M | 30 June<br>2024<br>\$M |
| Loan and other servicing income              | 6.8                    | 2.0                    |
| Brokerage commissions                        | 3.8                    | 6.4                    |
| Volume bonuses and incentives                | 3.4                    | 3.3                    |
| Other income                                 | 6.2                    | 6.4                    |
| <b>Total servicing fees and other income</b> | <b>20.2</b>            | <b>18.1</b>            |

### C. Disaggregation of revenue from contracts with customers

The table below summarises revenue from contracts with customers and how revenue is disaggregated by revenue type and timing of revenue recognition.

The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (refer to Note 2(F)).

|  | Mortgages   |             | Asset Finance |             | Loan and Other Servicing |             | Total       |             |
|--|-------------|-------------|---------------|-------------|--------------------------|-------------|-------------|-------------|
| Half-year ended 30 June  | 2025<br>\$M | 2024<br>\$M | 2025<br>\$M   | 2024<br>\$M | 2025<br>\$M              | 2024<br>\$M | 2025<br>\$M | 2024<br>\$M |
| <b>Revenue Type:</b>   |             |             |               |             |                          |             |             |             |
| Lending fee income   | 11.2        | 11.0        | 21.3          | 22.4        | –                        | –           | 32.5        | 33.4        |
| Whole loan sales gain  | 30.5        | 13.4        | 0.1           | 5.7         | –                        | –           | 30.6        | 19.1        |
| Servicing fees and other income  | 1.5         | –           | 10.2          | 12.7        | 8.5                      | 5.4         | 20.2        | 18.1        |
| <b>Total revenue from contracts with customers</b>                       | <b>43.2</b> | <b>24.4</b> | <b>31.6</b>   | <b>40.8</b> | <b>8.5</b>               | <b>5.4</b>  | <b>83.3</b> | <b>70.6</b> |
| <b>Timing of revenue recognition:</b>                                    |             |             |               |             |                          |             |             |             |
| Services transferred at a point in time                                  | 43.2        | 24.4        | 28.2          | 37.5        | 1.7                      | 3.4         | 73.1        | 65.3        |
| Services transferred over time   | –           | –           | 3.4           | 3.3         | 6.8                      | 2.0         | 10.2        | 5.3         |
| <b>Total revenue from contracts with customers</b>                       | <b>43.2</b> | <b>24.4</b> | <b>31.6</b>   | <b>40.8</b> | <b>8.5</b>               | <b>5.4</b>  | <b>83.3</b> | <b>70.6</b> |
| Lending expense  | (8.0)       | (7.5)       | (6.6)         | (6.4)       | (0.1)                    | –           | (14.7)      | (13.9)      |
| <b>Other operating income as reported in Note 2(F) Segment Reporting</b> | <b>35.2</b> | <b>16.9</b> | <b>25.0</b>   | <b>34.4</b> | <b>8.4</b>               | <b>5.4</b>  | <b>68.6</b> | <b>56.7</b> |

Whole loan sales gain is recognised when there is a sale of loans, originated by the Group, to a third party, which results in the derecognition of the loans from the Group and a gain on sale being recognised. This gain has been included above for ease of reconciliation to Other operating income.

### D. Expenses

#### Employee benefits expense

|   | Half-year ended        |                        |
|---|------------------------|------------------------|
|   | 30 June<br>2025<br>\$M | 30 June<br>2024<br>\$M |
| Salaries and wages                          | (49.3)                 | (48.0)                 |
| Employee incentive and share based payments | (11.9)                 | (13.9)                 |
| Other personnel expenses                    | (2.3)                  | (3.4)                  |
| <b>Total employee benefits expense</b>      | <b>(63.5)</b>          | <b>(65.3)</b>          |

## E. Earnings per share

### a. Methodology

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on conversion of all of the dilutive potential ordinary shares into ordinary shares.

### b. EPS calculation inputs

|  | Half-year ended        |                        |
|--|------------------------|------------------------|
|  | 30 June<br>2025<br>\$M | 30 June<br>2024<br>\$M |
| Profit attributable to ordinary equity holders of the Group  | 47.0                   | 46.1                   |
| Weighted average number of ordinary shares ("WANOS") used in the calculation of basic EPS (millions of shares) | 442.4                  | 440.6                  |
| Dilutive effect of share options (millions of shares)  | 20.0                   | 18.9                   |
| WANOS used in the calculation of diluted shares (millions of shares)   | 462.4                  | 459.5                  |

### c. Basic earnings per share

|  | Half-year ended          |                          |
|--|--------------------------|--------------------------|
|  | 30 June<br>2025<br>Cents | 30 June<br>2024<br>Cents |
| Basic EPS  | 10.62                    | 10.46                    |
| Total basic EPS attributable to the ordinary equity holders of the Group | 10.62                    | 10.46                    |

### d. Diluted earnings per share

|  | Half-year ended          |                          |
|--|--------------------------|--------------------------|
|  | 30 June<br>2025<br>Cents | 30 June<br>2024<br>Cents |
| Diluted EPS  | 10.16                    | 10.03                    |
| Total diluted EPS attributable to the ordinary equity holders of the Group | 10.16                    | 10.03                    |

### F. Segment reporting

Operating segments are presented on a basis that is consistent with information provided internally to the Group's Board and Executive Committee (the chief operating decision makers).

The accounting policies of the reportable segments are the same as the Group's accounting policies. All assets and liabilities are allocated to reportable segments and no intersegment revenues occur. The Mortgages and Asset Finance segments include the relevant structured entities which hold the Group's mortgage and asset finance assets and liabilities. There is no equity in these structured entities and as a result segment assets equal segment liabilities.

The chief operating decision makers examine the Group's performance from a portfolio perspective and have identified the following operating and reportable segments:

- The **Mortgages** segment includes both residential mortgages and commercial real estate and includes the revenues and direct expenses associated with the origination of residential mortgages in Australia and New Zealand and with the origination of small balance commercial real estate and Self Managed Super Fund ("SMSF") loans in Australia. Mortgage lending comprises residential prime and non-conforming mortgages.
- The **Asset Finance** segment includes the revenues and direct expenses associated with the origination and ongoing ownership of loans secured over a range of assets, including new and used cars, caravans, small commercial equipment and novated leasing in Australia. The Group's wholly owned subsidiary, Stratton Finance Pty Ltd ("Stratton"), is included within this segment given common customer base, revenue and cost synergies.
- The **Loan and Other Servicing** segment includes the revenues and direct expenses associated with the servicing and/or administration of loan portfolios for third parties conducted by the Group.

In addition to those segments identified above, Management has identified the Corporate division for inclusion in this disclosure. Although not meeting the strict definition of an operating segment by virtue of the fact it does not earn revenues, Management believe that the Corporate division is essential to understanding how the business operates.

#### a. Segment income statement

Information regarding these segments is presented below. All revenue is derived from external customers.

The following is an analysis of the Group's revenue and results by reportable operating segments:

|   | Mortgages<br>\$M | Asset Finance<br>\$M | Loan and<br>Other Servicing<br>\$M | Corporate<br>\$M | Total<br>\$M |
|---|------------------|----------------------|------------------------------------|------------------|--------------|
| <b>Half-year ended 30 June 2025</b>                 |                  |                      |                                    |                  |              |
| Interest income                                     | 389.1            | 247.2                | –                                  | 1.2              | 637.5        |
| Interest expense                                    | (313.7)          | (166.5)              | –                                  | –                | (480.2)      |
| <b>Net interest income</b>                          | <b>75.4</b>      | <b>80.7</b>          | <b>–</b>                           | <b>1.2</b>       | <b>157.3</b> |
| Other operating income                              | 35.2             | 25.0                 | 8.4                                | –                | 68.6         |
| Loan loss provision release/<br>(loan loss expense) | 2.6              | (43.5)               | –                                  | –                | (40.9)       |
| <b>Total segment reporting income</b>               | <b>113.2</b>     | <b>62.2</b>          | <b>8.4</b>                         | <b>1.2</b>       | <b>185.0</b> |
| Corporate costs                                     | –                | –                    | –                                  | (95.5)           | (95.5)       |
| Depreciation and amortisation                       | –                | –                    | –                                  | (8.9)            | (8.9)        |
| Corporate interest expense                          | –                | –                    | –                                  | (12.3)           | (12.3)       |
| Profit before income tax                            | 113.2            | 62.2                 | 8.4                                | (115.5)          | 68.3         |
| Income tax expense                                  | –                | –                    | –                                  | (21.3)           | (21.3)       |
| <b>Net profit after tax</b>                         | <b>113.2</b>     | <b>62.2</b>          | <b>8.4</b>                         | <b>(136.8)</b>   | <b>47.0</b>  |

|                                     | Mortgages<br>\$M | Asset Finance<br>\$M | Loan and<br>Other Servicing<br>\$M | Corporate<br>\$M | Total<br>\$M |
|-------------------------------------|------------------|----------------------|------------------------------------|------------------|--------------|
| <b>Half-year ended 30 June 2024</b> |                  |                      |                                    |                  |              |
| Interest income                     | 495.4            | 235.6                | –                                  | 1.4              | 732.4        |
| Interest expense                    | (399.5)          | (162.0)              | –                                  | –                | (561.5)      |
| Net interest income                 | 95.9             | 73.6                 | –                                  | 1.4              | 170.9        |
| Other operating income              | 16.9             | 34.4                 | 5.4                                | –                | 56.7         |
| Loan loss (expense)                 | (2.7)            | (38.9)               | –                                  | –                | (41.6)       |
| Total segment reporting income      | 110.1            | 69.1                 | 5.4                                | 1.4              | 186.0        |
| Corporate costs                     | –                | –                    | –                                  | (96.2)           | (96.2)       |
| Depreciation and amortisation       | –                | –                    | –                                  | (9.6)            | (9.6)        |
| Corporate interest expense          | –                | –                    | –                                  | (13.8)           | (13.8)       |
| Profit before income tax            | 110.1            | 69.1                 | 5.4                                | (118.2)          | 66.4         |
| Income tax expense                  | –                | –                    | –                                  | (20.3)           | (20.3)       |
| Net profit after tax                | 110.1            | 69.1                 | 5.4                                | (138.5)          | 46.1         |

#### b. Segment balance sheet

|                               | Mortgages<br>\$M | Asset Finance<br>\$M | Loan and<br>Other Servicing<br>\$M | Corporate<br>\$M | Total<br>\$M |
|-------------------------------|------------------|----------------------|------------------------------------|------------------|--------------|
| <b>As at 30 June 2025</b>     |                  |                      |                                    |                  |              |
| Segment assets                | 9,656.9          | 5,954.8              | –                                  | 1,535.6          | 17,147.3     |
| Segment liabilities           | (9,656.9)        | (5,959.2)            | –                                  | (747.7)          | (16,363.8)   |
| Current tax asset/(liability) | –                | –                    | –                                  | (6.5)            | (6.5)        |
| <b>Total</b>                  | <b>–</b>         | <b>(4.4)</b>         | <b>–</b>                           | <b>781.4</b>     | <b>777.0</b> |
| <b>As at 31 December 2024</b> |                  |                      |                                    |                  |              |
| Segment assets                | 10,725.3         | 5,430.0              | 0.8                                | 1,316.3          | 17,472.4     |
| Segment liabilities           | (10,725.3)       | (5,435.7)            | (0.8)                              | (442.5)          | (16,604.3)   |
| Current tax asset/(liability) | –                | 3.3                  | –                                  | (15.8)           | (12.5)       |
| <b>Total</b>                  | <b>–</b>         | <b>(2.4)</b>         | <b>–</b>                           | <b>858.0</b>     | <b>855.6</b> |

The Corporate division represents the Group's support functions not specifically aligned to business operations in the other divisions listed above (specifically Finance, Treasury, Risk, Human Resources, Administration, Legal and Technology) as well as the Group's executives' costs. Operating foreign exchange gains or losses are also presented as part of the Corporate division.

## G. Dividends

### a. Declared and paid during the period

|  | Half-year ended        |                        |
|--|------------------------|------------------------|
|  | 30 June<br>2025<br>\$M | 30 June<br>2024<br>\$M |
| Final 2024 dividend: \$0.071 (2023: \$0.050) | 31.5                   | 22.0                   |

The final 2024 dividend of \$31.5 million was fully-franked at 30% and paid on 17 April 2025 (2023: \$22.0 million).

### b. Proposed dividends not recognised as a liability at the end of the period

|  | Half-year ended        |                        |
|--|------------------------|------------------------|
|  | 30 June<br>2025<br>\$M | 30 June<br>2024<br>\$M |
| Interim 2025 dividend: \$0.064 (Interim 2024: \$0.050) | 28.2                   | 21.9                   |

On 21 August 2025, the Directors declared a fully-franked Interim dividend of 6.4 cents per share to the holders of fully paid ordinary shares in respect of the half-year ended 30 June 2025, to be paid to shareholders on 10 October 2025. This dividend has not been included as a liability in these financial statements. The total estimated Interim 2025 dividend to be paid is \$28.2 million.

During the period, the Directors declared a fully-franked Special Dividend of 12.5 cents per share to the holders of fully paid ordinary shares. This dividend was paid on 16 July 2025 and has been included as a liability in these financial statements.

## 3. Financial assets

### A. Cash and cash equivalents

Cash and cash equivalents comprise the Group's unrestricted cash (i.e. cash at bank and cash in transit) and restricted cash held in the limited recourse financing vehicles. Restricted cash includes monies in the Special Purpose Vehicles and securitisation trusts on behalf of members in those Trusts and various clearing accounts. Restricted cash is not available for operational use.

|  | As at                  |                            |
|--|------------------------|----------------------------|
|  | 30 June<br>2025<br>\$M | 31 December<br>2024<br>\$M |
| Cash at bank                           | 142.9                  | 124.0                      |
| Restricted cash                        | 857.0                  | 1,102.2                    |
| <b>Total cash and cash equivalents</b> | <b>999.9</b>           | <b>1,226.2</b>             |

## B. Gross loans and advances

|   | As at                  |                            |
|---|------------------------|----------------------------|
|   | 30 June<br>2025<br>\$M | 31 December<br>2024<br>\$M |
| <b>Gross loans and advances</b>                   |                        |                            |
| Loans and advances                                | 15,760.0               | 15,879.7                   |
| Deferred transaction costs                        | 241.5                  | 226.8                      |
| Capitalised brokerage costs                       | 62.9                   | 53.8                       |
| Mortgage risk fee                                 | (46.9)                 | (51.6)                     |
| Provision for loan impairment                     | (124.7)                | (116.9)                    |
|   | 15,892.8               | 15,991.8                   |
| <b>Provision for loan impairment</b>              |                        |                            |
| Specific provision                                | (42.3)                 | (39.6)                     |
| Collective provision                              | (82.4)                 | (77.3)                     |
|   | (124.7)                | (116.9)                    |
| <b>Specific provision</b>                         |                        |                            |
| Opening balance                                   | (39.6)                 | (38.7)                     |
| Provided for during the year                      | (35.8)                 | (72.9)                     |
| Loans previously provided for written-off or sold | 33.1                   | 72.0                       |
| <b>Specific provision closing balance</b>         | (42.3)                 | (39.6)                     |
| <b>Collective provision</b>                       |                        |                            |
| Opening balance                                   | (77.3)                 | (80.9)                     |
| (Provided for)/released during the year           | (5.1)                  | 3.6                        |
| <b>Collective provision closing balance</b>       | (82.4)                 | (77.3)                     |

## Notes to the Condensed Consolidated Financial Statements

### a. Staging analysis by loans and advances and provisions for impairment

The following tables show movements in:

- the gross carrying amount of financial assets subject to impairment requirements; and
- allowance for expected credit losses,

for the half-year ended 30 June 2025 and year-ended 31 December 2024.

Deferred transaction costs, mortgage risk fees, capitalised brokerage costs and loans and advances are incorporated in the gross carrying amount of loans and advances.

| <b>Loans and advances<br/>\$M</b>                              | <b>Stage 1<br/>(12-month ECL)</b> | <b>Stage 2<br/>(Lifetime ECL)</b> | <b>Stage 3<br/>(Lifetime ECL)</b> | <b>Total</b>    |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------|
| Gross carrying amount as at 1 January 2025                     | 15,367.0                          | 506.6                             | 235.1                             | 16,108.7        |
| Transfer to Stage 1  | 326.0                             | (280.3)                           | (45.7)                            | –               |
| Transfer to Stage 2  | (307.4)                           | 323.9                             | (16.5)                            | –               |
| Transfer to Stage 3  | (89.1)                            | (66.9)                            | 156.0                             | –               |
| Financial assets that have been derecognised during the period | (3,358.8)                         | (83.2)                            | (50.7)                            | (3,492.7)       |
| New financial assets originated                                | 3,940.3                           | 19.1                              | 2.5                               | 3,961.9         |
| Net repayments and interest for the period                     | (595.7)                           | 14.3                              | 21.0                              | (560.4)         |
| <b>Gross carrying amount as at 30 June 2025</b>                | <b>15,282.3</b>                   | <b>433.5</b>                      | <b>301.7</b>                      | <b>16,017.5</b> |

| <b>Provision for loan impairment<br/>\$M</b>                   | <b>Stage 1<br/>(12-month ECL)</b> | <b>Stage 2<br/>(Lifetime ECL)</b> | <b>Stage 3<br/>(Lifetime ECL)</b> | <b>Total</b> |
|--|-----------------------------------|-----------------------------------|-----------------------------------|--------------|
| Loss allowance as at 1 January 2025                            | 45.5                              | 12.0                              | 49.4                              | 106.9        |
| Transfer to Stage 1  | 11.7                              | (5.9)                             | (5.8)                             | –            |
| Transfer to Stage 2  | (0.6)                             | 2.2                               | (1.6)                             | –            |
| Transfer to Stage 3  | (0.4)                             | (2.4)                             | 2.8                               | –            |
| Financial assets that have been derecognised during the period | (3.0)                             | (1.9)                             | (11.4)                            | (16.3)       |
| New financial assets originated                                | 4.4                               | 1.2                               | 0.6                               | 6.2          |
| Net repayments and interest for the period                     | (14.3)                            | 9.3                               | 21.7                              | 16.7         |
| <b>Total</b>   | <b>43.3</b>                       | <b>14.5</b>                       | <b>55.7</b>                       | <b>113.5</b> |
| Post-model overlay adjustments                                 | –                                 | –                                 | –                                 | 11.2         |
| <b>Loss allowance as at 30 June 2025</b>                       | <b>43.3</b>                       | <b>14.5</b>                       | <b>55.7</b>                       | <b>124.7</b> |

| <b>Loans and advances<br/>\$M</b>                              | <b>Stage 1<br/>(12-month ECL)</b> | <b>Stage 2<br/>(Lifetime ECL)</b> | <b>Stage 3<br/>(Lifetime ECL)</b> | <b>Total</b> |
|--|-----------------------------------|-----------------------------------|-----------------------------------|--------------|
| Gross carrying amount as at 1 January 2024                     | 17,869.1                          | 398.3                             | 231.6                             | 18,499.0     |
| Transfer to Stage 1  | 242.4                             | (195.0)                           | (47.4)                            | –            |
| Transfer to Stage 2  | (393.5)                           | 414.2                             | (20.7)                            | –            |
| Transfer to Stage 3  | (121.9)                           | (45.1)                            | 167.0                             | –            |
| Financial assets that have been derecognised during the period | (6,010.5)                         | (123.2)                           | (103.2)                           | (6,236.9)    |
| New financial assets originated                                | 4,830.4                           | 59.8                              | 14.5                              | 4,904.7      |
| Net repayments and interest for the period                     | (1,049.0)                         | (2.4)                             | (6.7)                             | (1,058.1)    |
| Gross carrying amount as at 31 December 2024                   | 15,367.0                          | 506.6                             | 235.1                             | 16,108.7     |

| <b>Provision for loan impairment<br/>\$M</b>                   | <b>Stage 1<br/>(12-month ECL)</b> | <b>Stage 2<br/>(Lifetime ECL)</b> | <b>Stage 3<br/>(Lifetime ECL)</b> | <b>Total</b> |
|--|-----------------------------------|-----------------------------------|-----------------------------------|--------------|
| Loss allowance as at 1 January 2024                            | 53.3                              | 9.2                               | 48.4                              | 110.9        |
| Transfer to Stage 1  | 10.3                              | (4.0)                             | (6.3)                             | –            |
| Transfer to Stage 2  | (1.0)                             | 2.9                               | (1.9)                             | –            |
| Transfer to Stage 3  | (0.6)                             | (1.2)                             | 1.8                               | –            |
| Financial assets that have been derecognised during the period | (7.0)                             | (2.9)                             | (21.6)                            | (31.5)       |
| New financial assets originated                                | 6.4                               | 4.3                               | 4.0                               | 14.7         |
| Net repayments and interest for the period                     | (15.9)                            | 3.7                               | 25.0                              | 12.8         |
| Total  | 45.5                              | 12.0                              | 49.4                              | 106.9        |
| Post-model overlay adjustments                                 | –                                 | –                                 | –                                 | 10.0         |
| Loss allowance as at 31 December 2024                          | 45.5                              | 12.0                              | 49.4                              | 116.9        |

The value of the collateral held as security for loans in the Stage 1, Stage 2 and Stage 3 collective provision as at 30 June 2025 is \$18.6 billion (31 December 2024: \$20.1 billion).

## Notes to the Condensed Consolidated Financial Statements

### b. Maximum exposure to credit risk and the relative credit quality of financial assets

|   | Maximum exposure to credit risk \$M | Relative credit quality of assets |                 |
|---|-------------------------------------|-----------------------------------|-----------------|
|   |                                     | Rated*                            | Unrated         |
| <b>30 June 2025</b>   |                                     |                                   |                 |
| Cash and cash equivalents   | 999.9                               | Investment grade                  | –               |
| Derivative financial instruments                                  | 3.8                                 | Investment grade                  | –               |
| Gross Mortgages loans and advances (including undrawn facilities) | 10,670.3                            | –                                 |                 |
| LVR Band 90%+   |                                     |                                   | 218.8           |
| LVR Band 75-90%   |                                     |                                   | 2,932.1         |
| LVR Band 60-75%   |                                     |                                   | 3,048.7         |
| LVR Band <60%   |                                     |                                   | 4,470.7         |
| Gross Asset Finance loans and advances                            | 6,289.8                             |                                   | –               |
| Commercial  |                                     |                                   | 2,042.8         |
| Consumer  |                                     |                                   | 1,852.2         |
| Novated   |                                     |                                   | 2,394.8         |
| Receivables   | 16.5                                | –                                 | 16.5            |
| Other financial assets  | 1.6                                 | –                                 | 1.6             |
| <b>Total</b>  | <b>17,981.9</b>                     | <b>–</b>                          | <b>16,978.2</b> |

|   | Maximum exposure to credit risk \$M | Relative credit quality of assets |                 |
|---|-------------------------------------|-----------------------------------|-----------------|
|   |                                     | Rated*                            | Unrated         |
| <b>31 December 2024</b>   |                                     |                                   |                 |
| Cash and cash equivalents   | 1,226.2                             | Investment grade                  | –               |
| Derivative financial instruments                                  | 21.0                                | Investment grade                  | –               |
| Gross Mortgages loans and advances (including undrawn facilities) | 11,558.1                            | –                                 |                 |
| LVR Band 90%+   |                                     |                                   | 220.1           |
| LVR Band 75-90%   |                                     |                                   | 3,073.5         |
| LVR Band 60-75%   |                                     |                                   | 3,373.0         |
| LVR Band <60%   |                                     |                                   | 4,891.5         |
| Gross Asset Finance loans and advances                            | 5,633.2                             | –                                 |                 |
| Commercial  |                                     |                                   | 2,060.9         |
| Consumer  |                                     |                                   | 1,778.9         |
| Novated   |                                     |                                   | 1,793.4         |
| Receivables   | 13.9                                | –                                 | 13.9            |
| <b>Total</b>  | <b>18,452.4</b>                     | <b>–</b>                          | <b>17,205.2</b> |

\*Investment grade: AAA to BBB by Standard & Poor's.

As at 30 June 2025 the Group had \$1,193.5 million of undrawn credit facilities (31 December 2024: \$1,301.3 million).

Undrawn customer commitments and redraw balances which can be cancelled at any time by the Group are not recognised on the statement of financial position. As required by AASB 9 *Financial Instruments*, the Group has assessed ECL on undrawn credit commitments as immaterial and no provision has been recognised.

Mortgage loans are secured by a first registered mortgage over the property. This provides the Group with first priority over the proceeds of any sale of the property to repay the outstanding balance of the loans.

Asset Finance loans are secured by a Purchase Money Security Interest ("PMSI") registered with the personal property security register over the financed asset. This provides the Group with first priority over the proceeds of any sale of the asset to repay the outstanding balance of the loans.

Collateral valuations are obtained at origination and updated in limited circumstances, such as when the Group becomes a mortgagee in possession.

## 4. Financial liabilities

### A. Borrowings

All borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing borrowings are measured at amortised cost using the effective interest rate ("EIR") method.

|                           | As at                  |                            |
|---------------------------|------------------------|----------------------------|
|                           | 30 June<br>2025<br>\$M | 31 December<br>2024<br>\$M |
| Non-recourse facilities   | 15,932.6               | 16,250.5                   |
| Corporate debt facilities | 189.1                  | 216.9                      |
| <b>Total borrowings</b>   | <b>16,121.7</b>        | <b>16,467.4</b>            |

Non-recourse facilities are secured on the assets of each of the individual trusts.

Corporate debt facilities secured over certain assets of the Group were also in place in the year ended 31 December 2024 and the period to 30 June 2025.

On 23 May 2024, the Group entered into a secured, syndicated 3-year revolving credit facility. As at 30 June 2025, \$97.5 million was drawn down on the total facility of \$270.0 million (31 December 2024: \$125.0 million drawn on a total facility of \$270.0 million). This facility carries a floating interest rate at 3-month BBSY plus a margin (31 December 2024: floating interest rate at 3-month BBSY plus a margin).

Transaction costs directly attributable to the facility have been capitalised and are amortised over the facility term.

A debt issuance programme was established in October 2021. As at 30 June 2025, the value of outstanding floating rate notes was \$90.0 million (31 December 2024: \$90.0 million). These notes carry a floating interest rate at 3-month BBSW plus a margin. Transaction costs directly attributable to the notes have been capitalised and are amortised over the facility term.

## 5. Other financial liabilities – trail commission payable

### A. Trail commission payable

|   | As at                  |                            |
|---|------------------------|----------------------------|
|   | 30 June<br>2025<br>\$M | 31 December<br>2024<br>\$M |
| Other financial liabilities – trail commission payable              | 62.9                   | 53.8                       |
| <b>Total other financial liabilities – trail commission payable</b> | <b>62.9</b>            | <b>53.8</b>                |

The Group makes trail commission payments in respect of mortgages originated through brokers in Australia and New Zealand. These payments are based on monthly loan balances outstanding (excluding 0% commission rate loans and “in-arrears” loans).

On initial recognition of a mortgage loan at settlement, the Group recognises a trail commission financial liability which is recognised based on the net present value (“NPV”) of expected future trailing commission payable to brokers. Subsequent to initial recognition, trail commission financial liability is measured at amortised cost using the effective interest rate method.

A corresponding capitalised trail commission asset is capitalised to the loan as part of the transaction costs.

The following key assumptions have been used in the determination of the estimated future cash flows:

|  | As at                    |                          |
|--|--------------------------|--------------------------|
|  | 30 June 2025             | 31 December 2024         |
| Run-off rate (depending on product and loan seasoning) | Between<br>12.8% – 47.1% | Between<br>16.4% – 44.3% |
| Discount rate  | Between<br>10.2% – 11.7% | Between<br>10.2% – 11.7% |

#### Run-off rate

The run-off rate consists of discharges, prepayments and scheduled loan repayments and is the most sensitive factor in the NPV modelling. It is calculated based on observed portfolio seasoning performance and reflects expected behavioural life. It incorporates historical averages, key run-off drivers and prior-year trends.

#### Discount rate

For the purposes of the valuation, the post-tax discount rate is set for each cohort of originations within the relevant period.

The discount rate reflects the current market assessment of the time value of money and the risks that are specific to the estimated future cash flows. It is calculated using the Group’s post-tax weighted average cost of capital (“WACC”) and is set semi-annually at each reporting date for new originations settled within the preceding six-month period.

#### Sensitivity analysis

Sensitivity analysis (on the trail commission payable) has been performed on both the run-off rate and discount rate:

- the impact of a +/- 2% movement in the run-off rate is \$2.8 million; and
- the impact of a +/- 1% movement in the discount rate is \$1.2 million.

## 6. Financial instrument disclosures

### A. Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following assets and liabilities are measured at fair value by the Group for financial reporting purposes:

|   |                      |   | As at            |                      |
|---|----------------------|---|------------------|----------------------|
|   | Fair value hierarchy | Valuation technique and key inputs  | 30 June 2025 \$M | 31 December 2024 \$M |
| Equity investments at FVTPL                 | Level 2              | Arm's length market transaction   | 8.4              | 8.4                  |
| Equity investments at FVTPL                 | Level 3              | Market approach based on acquisition value and financial performance since acquisition, adjusted for changes in macroeconomic factors | 3.4              | 6.9                  |
| Derivative financial assets and liabilities | Level 2              | Discounted cash flow, forward interest rates, contract interest rates, counterparty valuations  | (50.2)           | 10.7                 |
| <b>Total</b>                                |                      |   | <b>(38.4)</b>    | <b>26.0</b>          |

In the period to 30 June 2025, there has been no change in the fair value hierarchy or the valuation techniques applied to any of the balances above. The unrealised movement in Level 3 equity instruments is reported in fair value losses on financial assets in the condensed consolidated statement of profit or loss.

#### *Fair value of assets and liabilities not measured at fair value*

The Group has considered all financial assets and liabilities not carried at fair value to determine whether the carrying value is an accurate reflection of fair value. For financial assets and liabilities whose carrying value does not accurately reflect the fair value, the Group performed a discounted cash flow valuation to determine fair value at the balance date.

Management consider that the carrying amounts of financial assets and liabilities recognised in the consolidated financial statements approximate their fair value.

## 7. Equity

### A. Issued capital

All ordinary shares are fully paid. Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Group, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either by person or by proxy, at a meeting of the Group. Ordinary shares carry one vote per share and carry the right to dividends.

#### a. Movements in ordinary shares:

|  | Number of shares<br>(millions) | \$M          |
|--|--------------------------------|--------------|
| Opening balance as at 1 January 2025                                       | 440.0                          | 730.7        |
| Ordinary shares issued to employees as part of share-based payment schemes | 4.1                            | 6.3          |
| Share buyback cancelled shares (average price \$1.65 per share)            | (0.2)                          | (0.4)        |
| <b>Balance as at 30 June 2025</b>  | <b>443.9</b>                   | <b>736.6</b> |

During the period, the Group issued additional ordinary shares to employees in accordance with various Pepper Money equity plans. The issuances occurred on several dates across the period, with the vesting price ranging between \$1.50 and \$1.82.

In addition, the Group acquired 238,562 shares for \$393,330 (average price of \$1.65 per share) under the Group's on-market share buyback scheme. These shares were cancelled prior to 30 June 2025.

## 8. Related party transactions

### A. Related party disclosures

The ultimate parent entity of Pepper Money Limited is Pepper Global Topco Limited ("Topco"), an entity incorporated in Jersey. Topco owns 100% of the shares in Pepper Global Midco Limited ("Midco") which in turn owns 100% of the shares in Pepper Group ANZ Holdco Limited ("Holdco"). Holdco owns 60.00% of the shares of Pepper Money Limited (and its controlled entities).

#### Transactions and balances with related party entities

The following table details the total amount of transactions that have been entered into with related parties during the half-year ended 30 June 2025 and half-year ended 30 June 2024, as well as balances with related parties as at 30 June 2025 and 31 December 2024.

#### a. Transactions and balances with related party entities

| \$'000  | Dividend paid   | Other fee<br>income | Other fee<br>expense | Receivable | Payable      |
|---|-----------------|---------------------|----------------------|------------|--------------|
| <i>Entity with control over the Group:</i>                  |                 |                     |                      |            |              |
| <b>Pepper Group ANZ Holdco Limited – 2025</b>               | <b>(18,908)</b> | –                   | –                    | –          | –            |
| Pepper Group ANZ Holdco Limited – 2024                      | (13,315)        | –                   | –                    | –          | –            |
| <b>Pepper Group Services Australia Pty Ltd – 2025</b>       | –               | <b>70</b>           | <b>(54)</b>          | <b>95</b>  | –            |
| Pepper Group Services Australia Pty Ltd – 2024              | –               | 97                  | (133)                | 149        | –            |
| <b>Pepper Group Assets Australia Pty Ltd – 2025</b>         | –               | –                   | <b>(218)</b>         | –          | <b>(84)</b>  |
| Pepper Group Assets Australia Pty Ltd – 2024                | –               | –                   | (213)                | –          | (234)        |
| <b>Other related parties of Pepper Money Limited – 2025</b> | –               | <b>101</b>          | –                    | –          | <b>(113)</b> |
| Other related parties of Pepper Money Limited – 2024        | –               | –                   | –                    | 51         | –            |

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this Note.

## b. Loans to/from related parties

|  | As at                     |                               |
|--|---------------------------|-------------------------------|
|  | 30 June<br>2025<br>\$'000 | 31 December<br>2024<br>\$'000 |
| Loans to Key Management Personnel of the Group | 3,132.7                   | 3,132.7                       |
| Loans to Directors and their related parties   | 3,228.5                   | 4,438.2                       |
| <b>Total loans to related parties</b>          | <b>6,361.2</b>            | <b>7,570.9</b>                |

In 2021, interest-free loans were provided to certain Management. The loans were made as part of an offer for those Management to reinvest proceeds from the sale of their shares in Topco to purchase shares in the Group at the time of listing on the ASX. The loan amounts were calculated to equal amounts retained from the proceeds of the sale of the TopCo shares to: (a) repay existing loans to Management; and (b) estimate tax liabilities for those Management as a result of the sale of the TopCo shares.

The receivable is classified as treasury shares as the receivables are limited recourse to the Pepper Money Limited shares held by Management.

### *Director loans*

As at 30 June 2025, loans to Directors and their related parties of \$3.2 million (loan balance) have been provided in the normal course of the Group's Mortgage and Asset Finance lending businesses (31 December 2024: \$4.4 million loan balance). All loans are at arm's length commercial terms.

### *Provision on Director loans*

The expected credit losses on these balances are immaterial.

## 9. Events occurring after the reporting period

### A. Interim Dividend declared

The Pepper Money Limited Board declared a fully-franked Interim Dividend of 6.4 cents per share on 21 August 2025. The Record Date is 12 September 2025 and the payment date is 10 October 2025.

The Interim Dividend has not been provided for in this financial report.

### B. Special dividend

A fully-franked Special Dividend of 12.5 cents per share was declared on 3 June 2025 and paid on 16 July 2025. The Special Dividend has been provided for in this financial report.

Other than as noted above, there has not been any matter or circumstance occurring subsequent to the end of the period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

# Directors' Declaration

The Directors of Pepper Money Limited declare that, in the Directors' opinion:

- a. there are reasonable grounds to believe that Pepper Money Limited will be able to pay its debts as and when they become due and payable; and
- b. the condensed consolidated financial statements of Pepper Money Limited (as defined in Note 1) including the Notes set out on pages 23 to 45:
  - i. are in accordance with the *Corporations Act 2001*, including compliance with Accounting Standard AASB 134 *Interim Financial Reporting* and giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and its performance for the half-year ended on that date.

Signed in accordance with a resolution of the Directors made pursuant to s303(5) of the *Corporations Act 2001*.

On behalf of the Directors



**Akiko Jackson**  
Chair

21 August 2025



**Mario Rehayem**  
CEO and Director

21 August 2025

# Corporate Directory

## Secretary

John Williams

## Principal registered office in Australia

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## Share register

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